

UNIVERSITY OF KWAZULU-NATAL

**Re-conceptualizing fiscal decentralization framework to improve service delivery: A
case of uMgungundlovu district municipality**

by

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DECLARATION

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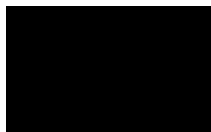
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DEDICATION

The study is dedicated to the following individuals:

- My Wife Gugu Msomi;
- My children Eyethu, Khethelo, Imani, Avumile and Sihayo Msomi;
- My late paternal grandfather, Mandlenkosi Hlombe;
- My late paternal grandmother, Qaphile Tryphinia KaMathonsi
- My late maternal grandmother, Cecelia “MaMncibi” Zondi;
- My late maternal grandfather, Buselaphi Zondi

My beloved late Father Thulani Gibson Msomi and late Brother Bhekukwenza Msomi whose tireless commitment to the people of South Africa secured for me the privilege of a tertiary education qualifications, which their own circumstances did not allow. Your beloved memory has been a constant motivation, and you will be forever in my heart.

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ABSTRACT

This research explored the concept of fiscal decentralisation by proposing a comprehensive framework tailored to the unique context of the uMgungundlovu District Municipality. Fiscal decentralisation, a pivotal component of effective governance, aims to redistribute financial authority and responsibility between higher-level governments and local authorities. This research aimed to redefine the fiscal decentralisation framework within the uMgungundlovu District Municipality, with a focus on crafting a comprehensive model that accommodates the distinctive socio-economic and political intricacies of the region. The research problem stems from the absence of a customized fiscal decentralisation framework tailored to the nuances of the district, as the conventional one-size-fits-all approach to fiscal decentralisation seem to fall short in effectively addressing the unique challenges faced by uMgungundlovu. In doing so, it sought to address the research problem of how fiscal decentralisation can be effectively structured and implemented to promote local development and efficient resource allocation. Employing a qualitative research approach, the study utilised purposive sampling to select 19 participants with in-depth knowledge and experience in local governance and fiscal matters. Thematic analysis was employed to analyse these qualitative data, identifying recurring patterns, concepts, and insights related to fiscal decentralisation within uMgungundlovu District Municipality. The findings underscore the need for community participation in fiscal decision-making, emphasizing the need for a re-conceptualized framework that empowers both local governments and actively involves communities in budgetary discussions. The findings thus stressed the importance of capacity building and institutional strengthening at the local level, addressing challenges in human resources, financial management, and technological infrastructure. The research recommends targeted interventions to enhance local government capabilities. Moreover, it contributes to the theoretical foundations of fiscal decentralization by promoting a context-specific approach, incorporating community perspectives, and offering practical guidance for policymakers to design and implement effective policies aligned with the realities of local governance. Based on the study's outcomes, it is recommended that uMgungundlovu District Municipality develop a clear and inclusive fiscal decentralisation framework tailored to its unique socio-economic context. This framework should address issues of revenue generation, allocation, and expenditure, while also emphasising mechanisms for transparent governance and community involvement.

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ABBREVIATIONS AND ACRONYMS

AGM	Annual General Meeting
AGSA	Auditor-General of South Africa
ANC	African National Congress
ANSA	Affiliated Network for Social responsibility
BBBEEA	Broad-Based Black Economic Empowerment Act
CBM	Community-Based Management
CFO	Chief Financial Officer
CLAN	Center-Led Action Network
CoGTA	Cooperative Governance and Traditional Affairs
DBSA	Development Bank of Southern Africa
DMC	Departmental Moderating Committee
DPCI	Directorate for Priority Crime Investigation
DPSA	Department of Public Service and Administration
DRC	Democratic Republic of Congo
DTI	Department of Trade and Industry Public-
EA	Executive Authority
ENE	Estimates of National Expenditure
EPMDS	Employee Performance Management and Development System
FIC	Financial Intelligence Centre
FRS	Fiscal Responsibility System
GDP	Gross Domestic Product
GNU	Government of National Unity
GRAP	Generally Recognised Accounting Practices
IDC	Industrial Development Corporation
IDG	International Development and Governance
IDP	Integrated Development Plan
IMF	International Monetary Fund
IoDSA	Institute of Directors in Southern Africa
IPID	Independent Police Investigative Directorate

KRAs	Key Result Areas
LED	Local Economic Development
MANCO	Management Committee
MFMA	Municipal Finance Management Act
MPAC	Municipal Public Accounts Committee
MPACs	Municipal Public Accounts Committees
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDP	National Development Plan
NP	National Party
NPA	National Prosecuting Authority
NPG	New Public Governance
NPM	New Public Management
OECD	Organisation for Economic Co-operation and Development
PFMA	Public Finance Management Act
PLDI	Participatory Local Democracy Index
PP	Public Protector
PPPFA	Preferential Procurement Policy Framework Act
PPPs	Private Partnerships
RSA	Republic of South Africa
RTI	Right to Information
SACN	South African Cities Network
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SIU	Special Investigating Unit
SMMEs	Small, Medium and Micro Enterprises
SMS	Senior Management Services
TSS	Tax Sharing System
uMDM	uMgungundlovu District Municipality

UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WSA	Water Services Authority

CHAPTER ONE: INTRODUCTION AND BACKGROUND TO THE STUDY

1.1 Introduction

In the landscape of modern governance, the dynamics of fiscal decentralisation have emerged as a critical area of study, reshaping the ways in which resources are managed and allocated at subnational levels. As nations grapple with the complex interplay of economic, political, and administrative dynamics, the need to re-evaluate and refine fiscal decentralisation mechanisms becomes increasingly evident (Sun & Razzaq, 2022). This research seeks to explore into the intricate web of fiscal decentralisation by focusing on a prominent case of the uMgungundlovu District Municipality (uMDM), South Africa.

As nations strive to strike a balance between centralised fiscal control and local autonomy, this study purposes to contribute to the conceptualisation of an effective fiscal decentralisation framework. The uMgungundlovu District Municipality's blend of urban, peri-urban, and rural settings, coupled with its socio-economic diversity, presents an intriguing backdrop for exploring how fiscal powers, responsibilities, and decision-making can be optimally distributed between the district and its constituent local municipalities (Jolley, 2023).

Besfat (2018) asserts that a well-crafted fiscal decentralisation framework holds the potential to foster economic growth, enhance local governance capabilities, and empower subnational entities to address unique challenges within their jurisdictions. The imperative for an in-depth exploration of fiscal decentralisation in uMDM stems from the pressing need to address existing gaps in local governance structures. As fiscal decentralisation policies are often top-down and uniform, they might not comprehensively account for the localised needs and capacities of distinct regions. By closely examining the case of uMDM, this research seeks to unravel the multifaceted challenges and opportunities inherent in the current fiscal framework. By doing so, it aspires to propose a more contextually attuned model that enhances fiscal sustainability, accountability, and development across the district.

1.2 Background to the study

The reform of economic systems in developing countries during the 1980s focused largely on increasing the role of the market and improving the environment in which it operates (Demir & Demir, 2020). For some years, there was a preoccupation with the private sector, such that reformers almost seemed to forget the potential role of the public sector in promoting development. In recent years, there have been widespread attempts both to redefine the role of the public sector in developing countries and to improve its performance. Harguindéguy, Cole and Pasquier (2021) assert that an increasingly important component of these reforms is the introduction of policies to decentralise the functions of government.

During the 1990s, fiscal decentralisation and local government reform have become among the most widespread trends in development. According to Lin and Zhou (2021), many of these wide-ranging and costly efforts, however, have made only modest progress toward meeting their stated goals. Given this uneven performance, there has been extensive debate about the desirability of fiscal decentralisation and how to approach it. Although fiscal decentralisation has emerged as a focus of public sector reform in many less developed nations, the substantial body of theory and research on public finance in developing countries includes little substantive work on the fiscal role and performance of local government (Li & Du, 2021).

Most analysis of this topic has been in the form of occasional case studies or chapters in studies of national tax systems, usually conducted by special commissions or international development agencies, such as the World Bank or the International Monetary Fund (IMF). Only a few attempts to conceptualise the issues broadly and/or to compare decentralisation and local finance policies across a group of countries have been made (Kuai, Yang, Tao & Khan, 2019). Some of this literature predates the recent emphasis on decentralisation, and much of the rest focuses primarily on major urban areas⁴ or non-fiscal aspects of decentralisation (Lamba, Allo & Lamba, 2019).

This scarcity of research reflects the small fiscal role that local government has traditionally played in most developing countries. In the 1980s, just prior to the emerging fiscal decentralisation trend, local governments in Organisation for Economic Co-operation and Development (OECD) countries accounted for, on average, 11 per cent of total public employment, and in some countries as much as 25 per cent (Su, Umar & Khan, 2021). In

contrast, local governments in developing countries accounted for an average of 4.5 per cent of public employment, ranging from 2.5 per cent in Africa to 8 per cent in Asia (Hao, Chen, Liao & Wei, 2020). Public expenditure data from the late 1980s and early 1990s indicate that the local government share of total government spending averaged 32 per cent in the industrialised countries versus 15 per cent in the developing world (Sun & Razzaq, 2022). In evaluating the suitability of fiscal decentralisation, it is important to consider the historical basis for fiscal centralisation and the factors that have been undermining it.

Traditional systems in some parts of the world, particularly in Asia, have been highly centralised for centuries (Wang, Rani & Razzaq, 2023). Local governments were introduced in many developing countries through colonisation and development assistance, often taking a form that neither met their intended purpose nor gained acceptance from the local people. Changwony and Paterson (2019) argue that post-independence leaders, who were left with an institutional framework that was not consistent with their culture and needs, commonly used local governments for administrative and control purposes rather than to promote self-determination, democratisation and economic development.

Early development economists also discouraged the development of local government by advising officials of developing countries that they could maximise growth by centralising control over the economy (Lehmbruch, 2019). Development strategies were based on central planning, large-scale technology transfer, industrialisation and spatial centralisation to capture economies of scale and promote growth. Thus, development responsibilities were concentrated at the centre, and local authorities were largely neglected.

In many developing countries, a general lack of managerial and technical expertise has precluded or been used as an excuse to avoid the formation of local government institutions and an effective working relationship between the central and local governments (Chen & Chang, 2020). Given the limited pool of human resources and the scarcity of training and educational facilities, some central governments feared competition for qualified staff if decentralised governments were strengthened. The most important reason local governments have been neglected in developing countries is that strong central governments often oppose decentralisation.

Some reasons for this reluctance are legitimate, such as the need for nation building in ethnically fragmented societies and central macroeconomic control in fragile economies (Chen & Liu, 2020). Equally important, however, is the reality that the governing elite, who may be dominated by particular ethnic groups, fear the loss of power and wealth inherent in meaningful decentralisation. In addition, central ministries and/ or political parties that control substantial resources rarely want to share them with autonomous local governments.

1.3 Problem statement

According to Berka and Dreyfus (2021), as economic and political pressures for fiscal decentralisation escalate and forces driving democratisation develop, many countries will feel increasing pressure to decentralise. In spite of this growing interest and support, fiscal reform of local government is likely to be a slow and painful process because serious constraints on decentralisation are not going to disappear suddenly, and some standard analytical tools may have limited applicability (Oleinikova, 2020). Available conceptual frameworks for analysing fiscal decentralisation are useful, but they are not designed to deal with some of the most important factors affecting effective fiscal decentralisation.

The research problem at the core of this study pertains to the intricate and multifaceted nature of fiscal decentralisation within the context of local governance, particularly focusing on the uMgungundlovu District Municipality. You, Zhang and Yuan (2019) posit that fiscal decentralisation, the allocation of financial resources and decision-making authority from central governments to lower-level administrative units, has gained prominence as a mechanism to enhance local development and service delivery. However, despite its potential benefits, the operationalisation and conceptualisation of an effective fiscal decentralisation framework remain complex and challenging.

This research examine the fiscal decentralisation within the uMgungundlovu District Municipality, seeking to develop a comprehensive framework that aligns with the unique socio-economic and political dynamics of the region. The uMgungundlovu District Municipality, located within KwaZulu-Natal province of South Africa, presents a compelling case study due to its diverse demographic composition, economic disparities, and developmental needs. The gap therefore lies in the absence of a tailored fiscal decentralisation framework that takes into account the specificities of the district. The one-size-fits-all approach often employed in fiscal decentralisation efforts might not adequately address the challenges faced by uMgungundlovu.

Thus, the research sought to identify these challenges and opportunities, ultimately contributing to the creation of a contextually relevant framework that enhances resource allocation, local revenue generation, and service delivery. At the heart of the research problem is the intricate interplay between fiscal autonomy and accountability. While fiscal decentralisation purposes to empower local governments with greater financial autonomy, it must be balanced with mechanisms that ensure transparency, efficiency, and accountability in resource management (Puri, Kataria & Sharma, 2021). uMgungundlovu District Municipality, like many other local entities, grapples with striking this equilibrium.

Developing a well-defined fiscal decentralisation framework requires addressing the tension between granting fiscal powers to the local government and establishing mechanisms to prevent misuse or mismanagement of funds, a challenge that this research sought to address. The research problem gained further complexity in the face of evolving national policies, economic fluctuations, and political dynamics (Puri et al., 2021). Fiscal decentralisation cannot be studied in isolation; it is influenced by broader national and regional trends (Bauknecht, Funcke & Vogel, 2020). The research problem encompasses investigating how the evolving political landscape and policy shifts impact the effectiveness of fiscal decentralisation within uMgungundlovu District Municipality. This involves examining the compatibility of the existing fiscal decentralisation framework with recent policy changes, and identifying potential gaps or misalignments that hinder the district's development trajectory.

Another critical concern underlying the research problem is the capacity of the local government to manage the responsibilities associated with fiscal decentralisation. Effective decentralisation requires not only financial resources but also administrative and technical capabilities at the local level. The research problem involved evaluating the institutional capacity of uMgungundlovu District Municipality to implement and sustain a nuanced fiscal decentralisation framework. This evaluation shed light on the practical feasibility of proposed decentralisation strategies and identify capacity-building needs to ensure successful implementation.

In the context of uMgungundlovu District Municipality, the absence of a well-defined and tailored fiscal decentralisation framework poses a significant challenge to effective resource allocation, service delivery, and local development. This research seeks to address the lack of

a comprehensive fiscal decentralisation framework by exploring the specific needs, opportunities, and constraints of the municipality, and proposing a conceptual framework that aligns with the municipality's unique socio-economic and administrative characteristics. By doing so, the research provides insights into enhancing fiscal decentralisation practices at the local level and contributing to the broader discourse on effective governance and local development.

1.4 Aim of the study

The main aim of this study was to analyse the existing model of fiscal decentralisation used in other countries as a tool to improve service delivery mainly to the poor communities. This was explored by seeking to understand the methods and justifications used by national government when allocating equitable share and grant funding for local government and its alignment with service delivery targeted objectives.

1.5 Research objectives

- To examine the existing fiscal decentralisation practices and mechanisms within the uMgungundlovu District Municipality
- To analyse the challenges and gaps in the current fiscal decentralisation framework in the uMgungundlovu District Municipality.
- To evaluate the institutional capacity of the uMgungundlovu District Municipality towards implementing and managing the fiscal decentralisation.
- To propose a comprehensive framework for fiscal decentralisation tailored to the specific context of the uMgungundlovu District Municipality.
- To provide recommendations for policy adjustments and practical strategies that can facilitate the successful implementation of the conceptual fiscal decentralisation framework in the uMgungundlovu District Municipality.

1.6 Research questions

- What are the existing fiscal decentralisation practices and mechanisms within the uMgungundlovu District Municipality?
- What are the challenges and gaps in the current fiscal decentralisation framework in the uMgungundlovu District Municipality?

- What is the extent of the institutional capacity of the uMgungundlovu District Municipality for the effective implementation and management of fiscal decentralisation?
- How can a comprehensive framework for fiscal decentralisation be developed to suit the specific contextual factors of the uMgungundlovu District Municipality?
- What recommendations can be provided for policy adjustments and practical strategies that can facilitate the successful implementation of the conceptual fiscal decentralisation framework in the uMgungundlovu District Municipality?

1.7 Study site

This study was conducted in South Africa, a country which is made up of 9 provinces namely KwaZulu-Natal, Eastern Cape, Western Cape, Northern Cape, North West, Gauteng, Mpumalanga and Limpopo. The Province of KwaZulu-Natal is made up of 11 District Municipalities including the uMgungundlovu District Municipality (DC22), which is located central in the province, and is surrounded by 5 District municipalities and one Metro viz. iLembe, uMzinyathi, Harry Gwala, uThukela, Ugu District Municipalities and eThekweni Metro respectively. In terms of Municipal Structures Act (Act No. 117 of 1998) uMDM was designated a Water Services Authority for its area of jurisdiction, and its area comprises of 7 local municipalities (uMDM, 2016).

Figure 1.1 below shows the location for uMDM.

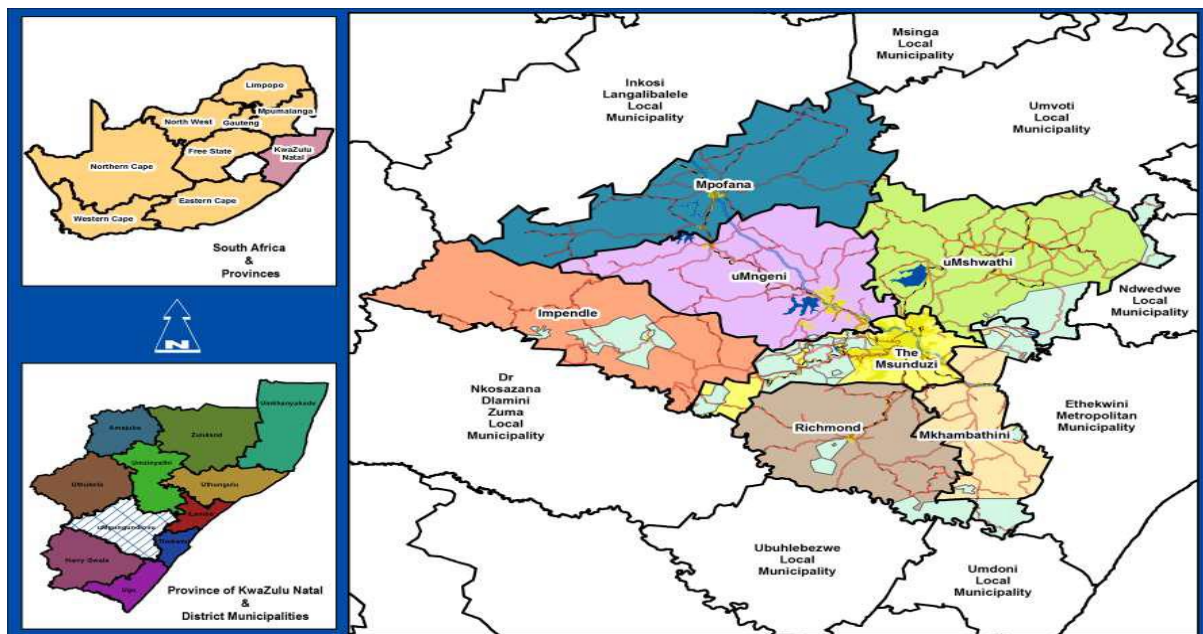


Figure 1.1 Locality Map (Sourced from uMDM 2018/2019 IDP)

Located in the province of KwaZulu-Natal, South Africa, the uMgungundlovu District Municipality presents a unique socio-economic and administrative setting. The post-apartheid era in South Africa ushered in a transformation of governance structures, accompanied by efforts to promote participatory democracy and local development. As part of this transformation, fiscal decentralisation became a focal point, aiming to empower local governments with the means to address specific regional needs and aspirations. The uMgungundlovu District Municipality, encompassing a diverse range of urban and rural communities, offers an ideal backdrop to examine the challenges and opportunities associated with implementing a fiscal decentralisation framework.

Despite the potential benefits of fiscal decentralisation, its successful implementation is a complex and context-dependent endeavour. Various factors such as political, administrative, and fiscal capacities of subnational governments, intergovernmental relations, revenue-generation mechanisms, and accountability mechanisms play critical roles. The case of uMgungundlovu District Municipality presents an intriguing context to investigate how these factors intersect and influence the conceptualisation and practical application of a fiscal decentralisation framework. Moreover, delving into the dynamics of fiscal decentralisation within this municipality can offer insights into broader issues of local governance, public service delivery, and regional development.

An essential consideration in the study of fiscal decentralisation is the balance between autonomy and accountability. While subnational entities gain more decision-making power through fiscal decentralisation, ensuring transparent and responsible use of resources becomes paramount. This balance is often intricate to strike, and its effectiveness can shape the overall success of the decentralisation framework. In the case of uMgungundlovu District Municipality, understanding how this equilibrium is achieved or challenged can provide valuable lessons for other regions grappling with similar governance reforms.

Therefore, the exploration of a fiscal decentralisation framework within the context of uMgungundlovu District Municipality holds significant academic and practical importance. By analysing the intricate interplay of political, administrative, fiscal, and accountability factors, this study aims to contribute to the broader discourse on effective governance, local development, and public administration. The lessons drawn from this research could potentially inform policymakers and practitioners not only within South Africa but also in other

jurisdictions considering or undergoing fiscal decentralisation as a means to enhance regional governance and service delivery.

1.8 Significance to the study

The study holds substantial significance within the realm of local governance and public administration. The concept of fiscal decentralisation, wherein financial powers and responsibilities are devolved from central authorities to local governments, has gained prominence as a means to enhance efficiency, accountability, and local development (Bauknecht et al., 2020). Focusing on the specific case of uMgungundlovu District Municipality provides an in-depth understanding of how fiscal decentralisation operates within a unique socio-economic and political context. By analysing and conceptualising a fiscal decentralisation framework in this context, the study's outcomes are anticipated to contribute significantly to the existing body of knowledge on effective public financial management and governance at the local level.

The significance of this study is underscored by the potential implications it holds for policy formulation and decision-making. As municipalities play a crucial role in service delivery and community development, an effective fiscal decentralisation framework can foster more targeted and responsive allocation of resources, ultimately improving the quality of public services. The study's findings can provide valuable insights into the challenges and opportunities faced by uMgungundlovu District Municipality and similar local governments, thus guiding policymakers in designing and implementing fiscal decentralisation strategies that align with the unique needs of different regions. Moreover, this study's significance extends beyond academia, resonating with practitioners, policymakers, and development experts invested in enhancing the effectiveness of decentralised governance systems for the betterment of local communities.

Furthermore, the study's localised approach to examining fiscal decentralisation contributes to a nuanced understanding of its impacts on economic growth, social welfare, and participatory governance. By exploring into the intricacies of uMgungundlovu District Municipality's experiences, the research can uncover best practices, identify bottlenecks, and suggest tailored solutions that resonate with the realities of the district. This micro-level analysis not only enriches the academic discourse on fiscal decentralisation but also equips local administrators with actionable insights to optimise revenue mobilisation, expenditure management, and intergovernmental relations. Finally, the study's exploration of a fiscal decentralisation

framework within the uMgungundlovu context holds immense significance in advancing the discourse on effective governance, decentralisation, and sustainable development.

1.9 Theoretical Framework

The research endeavours to re-conceptualise the fiscal decentralisation framework to enhance service delivery, with a specific focus on the uMgungundlovu District Municipality. The Principal-Agent Theory and Soufflé Theory serve as the primary theoretical underpinnings for this study. In the pursuit of a comprehensive understanding of fiscal decentralisation challenges and opportunities, the research employs a strategic integration of theoretical frameworks. The Principal-Agent Theory is utilised to analyse the relationships between the central government (Principal) and the local government (Agent), examining how alignment of interests, incentives, and monitoring mechanisms can enhance fiscal decentralisation and improve service delivery (Wushe & Shenje, 2019). Drawing from the Soufflé Theory, the research explores the dynamic nature of fiscal decentralisation, akin to the intricate process of creating a soufflé. This theory emphasises the need for careful attention to various factors, such as local capacity, governance structures, and financial arrangements, to achieve a successful outcome in the form of improved service delivery (Vos & Voets, 2022).

To provide an understanding of the fiscal decentralisation framework, the study considers the specific context of the uMgungundlovu District Municipality. By applying the insights gained from the Principal-Agent Theory and Soufflé Theory, the research aims to offer valuable recommendations for re-conceptualising fiscal decentralisation to enhance service delivery within the municipality.

1.10 Brief Research Methodology

A thorough research methodology was deployed to examine the intricacies of fiscal decentralisation and its impact on service delivery. The study embraced a mixed qualitative approach, employing key informant interviews and focus groups to gather diverse perspectives (Japutra & Situmorang, 2021). To ensure representation from crucial stakeholders in the municipal governance sector, purposive sampling was employed to select 20 participants. The qualitative nature of the research allowed for a comprehensive exploration of the complex dynamics involved in redefining fiscal decentralisation within the specific context of the uMgungundlovu District Municipality. Thematic analysis was the preferred method for interpreting the qualitative data obtained from key informants and focus groups. This analytical

approach facilitated the identification of recurring patterns, emerging trends, and critical themes essential to re-conceptualising the fiscal decentralisation framework for improved service delivery (Marobhe & Kansheba, 2023). Through an examination of narratives, opinions, and experiences shared by participants, the study aimed to establish a solid foundation for the proposed re-conceptualisation of the fiscal decentralisation framework. This approach aimed to cultivate a deeper understanding of the challenges and opportunities associated with reshaping fiscal decentralisation practices in the operational framework of the UMgungundlovu District Municipality, ultimately contributing to enhanced service delivery.

1.11 Definition of terms

- **Financial decentralisation:** involves transferring competencies, responsibilities, and financial resources from the national government to lower levels of government, granting them the authority to generate revenue and make spending decisions (Alfada, 2019).
- **Political decentralisation:** refers to the set of constitutional amendments and electoral reforms aimed at activating existing dormant or open new spaces for local political representation, thereby enhancing citizen and elected representative authority in decision-making and public administration (Rodríguez-Pose & Tselios, 2019).
- **Administrative decentralisation:** involves transferring various functional responsibilities, including tasks related to local institutions such as water and sanitation services, to the local level, focusing on functional aspects of decentralisation (Gumede, Byamukama & Dakora, 2019).
- **Citizen participation:** involves active involvement in all development activities, including the determination of social affairs, and should be structured to ensure every community member feels included in the development process (Bouzguenda, Alalouch & Fava, 2019).
- **Social Accountability:** refers to the collective actions and mechanisms through which individuals, civil society organisations, and communities hold governments, public institutions, and other powerful actors accountable for their decisions, actions, and use of resources. It involves promoting transparency, participation, and oversight to ensure

that public resources are used effectively and that public policies and services are responsive to the needs and rights of citizens (Zaman, Jain, Samara & Jamali, 2022).

1.12 Limitations of the study

This study only involved one District Municipality. Furthermore, the study did not include all stakeholders at uMgungundlovu District Municipality and only employed a qualitative research design, but the researcher ensured that the sample was reliable in order to engender plausible research findings.

Some respondents, such as employees, found it difficult to participate in the study because of fear that giving the information needed for the study may put their jobs at risk, while others were too busy to be conscripted because of their senior managerial positions. This was overcome by assuring them of privacy, confidentiality, and anonymity, and signing of the consent form, and making appointments early in advance, respectively.

1.13 Chapter Outline

Chapter one: Presents the introduction to the study that presents the background to the study, research problem, aim of the study, research objectives, research questions, contribution of the study, brief introduction to the methodology, limitations, definition of terms, structure of dissertation and summary of the chapter.

Chapter two: Presents a review of literature related to the study. The chapter will cover concepts of fiscal decentralisation and the decentralisation conceptual framework informing the study, and the conclusion to the chapter.

Chapter three: Presents a review of literature on water and sanitation service delivery and explore the service delivery enhancement tools such as grants, funding and equitable share distribution, as mechanisms available to uMDM and local government at large.

Chapter four: Presents the research methodology chapter. It will cover the research design, research methodology, data collection tools, study site, population, sampling methods, data collection tools, reliability and validity of the study. The chapter will cover the data analysis tools, ethical consideration and conclusion to the chapter.

Chapter five: Presents the results for the data collected by interviews from the study participants.

Chapter six: Presents data analysis of results and findings. The chapter interprets data with the goal of determining useful information and suggesting conclusions.

Chapter seven: Presents the conclusions and recommendations of the study.

1.14 Chapter summary

This chapter has provided an overview of the study by covering the background to the study, research problem, aim of the study, importance of the study, and research objective and research questions. The chapter also presents the brief methodology used in the study, the limitations of the study, definition of terms, and chapter organisation of the thesis. The following chapter will present a discussion on fiscal decentralisation and the relevant conceptual framework.

CHAPTER TWO: DECENTRALISATION AND SERVICE DELIVERY

2.1 Introduction

The previous chapter gave an overview of the problem at hand and explanations for three crucial points: the research problem, the study objectives and the motivation for the study. This chapter embark on an extensive exploration of both empirical and theoretical literature, which serves as the cornerstone of this study. Key concepts in public administration, theoretical frameworks for understanding devolution and service delivery, and the complex dynamics of decentralisation and centralisation in resource distribution and management take centre stage in this chapter. This literature review undertakes a comprehensive analysis of the intricate relationship between fiscal decentralisation and essential services, specifically examining its role as either an enabler or a potential obstacle in the context of public services delivery. Moreover, the chapter scrutinise the justifications that guide governmental decisions regarding centralisation or decentralisation, shedding light on the allocation of authority and functions in the realm of services delivery as mandated by the government (Engdaw, 2022).

2.2 Public Administration

Public administration plays an essential role in maintaining organised systems of diverse nature. It achieves this through the systematic implementation of deliberate and natural programs that regulate goals, ensuring the maintenance of a relatively stable structure and operational mode for the system (Natal'ya, Bondaletov, Sergey, Bondaletova & Kozyrev, 2016). This orchestration enables the modern world to function as an intricate web of interacting systems, each striving for self-preservation, survival, and a meaningful role within the complex objective reality.

Hanekom and Shannon (1996:19) stress that public administration constitutes a distinct realm of activities characterised by underlying principles that offer guiding values and norms, which public office holders must adhere to and apply in their functions. Mngomezulu (2020) suggests that its primary focus is to ensure the efficient, accountable, and equitable delivery of services and the responsible use of public resources for the betterment of society. Therefore, public administration refers to the management and execution of governmental functions, policies, and programs to serve the public interest and ensure the effective functioning of public

institutions. It involves the organisation, coordination, and implementation of public policies, as well as the allocation of resources and decision-making within government agencies.

According to Rosenbloom, Kravchuk and Clerkin (2022), three fundamental principles that underpin the formation of a public administration system are as follows, separation of Powers, complementarity and subsidiarity. The principle of separation of power involves the division of a single state authority into three distinct branches: the executive, legislative, and judicial (Kirilova, 2019). Natal'ya et al. (2016) argues that this segmentation acts as a pivotal condition for exercising effective oversight over the functioning of the state apparatus. By ensuring a clear separation of roles and responsibilities, the system can prevent the concentration of power and promote checks and balances.

Kirilova (2019) posit that complementarity principle forms the bedrock of seamless operation within the power structure. It necessitates the equitable distribution of governmental functions across all territorial levels and hierarchical layers of governance. Wainaina et al. (2022) also suggest that subsidiarity principle underscores the distribution and, if needed, redistribution of authority between various levels of state governance. It emphasises a hierarchical sequence of managerial bodies and delineates the allocation of responsibilities among these bodies to serve the community's interests. Natal'ya et al. (2016) opine that by adhering to the principle of subsidiarity, the system ensures that decisions are made at the most appropriate level of authority, avoiding unnecessary centralisation and promoting local autonomy.

Public administration encompasses two interconnected interpretations related to the management and execution of government functions. Firstly, it involves the execution of laws, regulations, and governmental decisions, and secondly, it encompasses the management of public service provision (Rosenbloom et al., 2022). Additionally, it constitutes the collective framework responsible for policies, regulations, procedures, systems, organisational structures, and personnel, all funded by the state and responsible for directing and managing the executive government's affairs (Waldo, 2017). This machinery interacts with various stakeholders within the state, society, and external environment. This definition also correlates effectively with the management of procurement practices within the scope of public procurement, which aligns with public spending. Wang et al. (2023) posit that the considerations of procurement policies, regulations, procedures, organisation, personnel, and financial aspects are aptly suited to the administration of procurement practices within the public sector.

2.2.1 Public Administration as a discipline

The field of Public Administration is relatively young but has evolved significantly over the past century to address the complexities of modern government. Mngomezulu (2020) highlights its focus on the structure and functioning of government in response to the needs of citizens within defined jurisdictions. In recent history, government has grown into an intricate institution for service provision and policy development, unprecedented in size. This growth has led to extensive scholarly research aiming to understand and analyse government processes (Rosenbloom et al., 2022).

Studying public administration differs from traditional subjects like biology or mathematics, encompassing a broad array of subjects and approaches (Denhardt & Denhardt, 2015). An efficient, transparent, and accountable public administration is crucial for effective governance and successful public service delivery, serving as the main conduit for government strategies. Public administration also plays a pivotal role in the relationship between the state, civil society, and the private sector, contributing to equitable growth, poverty reduction, peace, and stability (UNDP, 2017:1).

Public administration is viewed as a social science discipline, and this perception has gained traction with the rise of doctoral programs in the field. In countries like the United States, it is a formal degree-granting field at various educational levels (Denhardt & Denhardt, 2015). The evolution of modern Public Administration has led to the emergence of distinct subfields, approaches, and areas of interest, such as procurement procedures, legislation, bidding processes, logistics, contracts, performance management, and enforcing procurement legislation (Whelan, 2016). These subfields and interests hold the potential to enhance the administration of procurement practices within the public sector.

2.2.2 Public administration as an activity

Public administration traces its roots back to pre-history, where consultant administrators handled public finances and organised governance activities. Schumpeter (2020) notes that while these early practitioners lacked academic professionalism, they compensated with their practical knowledge and fresh perspectives. The essence of public administration involves government institutions producing goods and offering services to the community (Du Toit, 2005).

Public institutions are established to fulfil societal needs through the procurement of goods and services. As an operational activity, public administration encompasses the efforts of government officials to help various institutions achieve their objectives at national, provincial, and local levels. Governments are tasked with delivering specific services to society that individuals cannot provide for themselves in certain situations.

Public procurement is an ongoing and complex activity that reconciles various and often conflicting demands. These demands may arise from political dynamics, budgetary limitations, personnel obligations, ethical standards, economic crises, or technological changes. Such demands perpetually exist and introduce challenges and uncertainties into policy formulation and program implementation (Srebalova & Peracek, 2022). Effective administration of procurement practices requires careful planning to address these conflicting demands and navigate the intricacies of public programs.

2.2.3. International public administration

This segment delves into the historical trajectory of public administration, specifically exploring its pivotal role in the emergence of a scientific discipline and the subsequent evolution of New Public Management (NPM). Notably, international organisations have significantly influenced the advancement of contemporary public administration as an area of specialised academic and scientific inquiry, a domain that continues to undergo dynamic growth.

2.2.3.1. Theories of Public Administration

Theoretical frameworks serve as systematic arrangements of interconnected concepts. They are generated through generalisations from specific instances and principles, tested for accuracy, and proven to accurately reflect and elucidate reality, providing a framework for comprehending a significant knowledge domain. Hawking (1996) in Lamidi (2015:7) asserts that theories essentially function as classifications, serving as filing cabinets for accumulating facts. Theories supply logical structures for understanding and predicting individual and societal phenomena (Frederickson, Smith, Larimer & Licari, 2018). The significance of theories extends beyond academia, permeating everyday management practices within procurement organisations (Rosenbloom, Kravchuk & Clerkin, 2022).

The evolution of public administration as an academic discipline has occurred through distinct phases, categorised under various paradigms. Different authors have provided their classifications, yet there's notable congruence in their scholarly works (Kettl, 2016). Public administration, as Lamidi (2015:2) asserts, is a fusion of both theory and practice. Theories offer a stable foundation for comprehending human experiences, provide benchmarks for relevance, facilitate effective communication, delve into complex relationship dynamics, and contribute to continuous worldly learning (Waldo, 2017). Frederickson et al. (2018) emphasises four pivotal phases in the evolution of public administration: prehistory, the classic period, the modern study of public administration, and the differentiated or contemporary era.

Theories have significantly influenced public administration's development, with the same being applicable to public procurement. The eighteenth-century scholars initiated more systematic and theoretically grounded approaches to their studies (Waldo, 2017; Rosenbloom, 2016). Early ideas concerning public ethics and administration emerged, with Woodrow Wilson's essay 'The Study of Administration' (1887) marking a milestone in this new approach (Henry, 2017). This viewpoint advocated for separating political and administrative functions to enhance efficiency and effectiveness (Kettl, 2016; Goodnow, 2017; Henry, 2017:37). The 1970s witnessed a drive towards replicating private sector management styles within government administration through the concept of New Public Management (NPM). F.W. Taylor's (1911) scientific principles of management, proposed a systematic approach to tasks. Taylor's principles encompassed concepts like division of labour, authority, discipline, unity of command, equity, and more, all of which found applications in public procurement practices (Kettl, 2016).

Weber introduced concepts of hierarchy, division of labour, rules, and regulations, along with impersonal relationships between managers and employees. Additionally, Gullick and Urwick advocated for administrative principles, encapsulated as POSDCORB – planning, organising, staffing, directing, coordinating, reporting, and budgeting – which have left a lasting influence on administrative discourse, including public procurement (Henry, 2017:39). As Public Administration developed, it grappled with an identity crisis, originating within political science and law but rapidly embracing principles of organisation management and leadership to address practical challenges (Rosenbloom, 2016). Waldo's book 'The Administrative State' (1948) critiqued an excessive focus on efficiency, highlighting the importance of balancing democratic values (Kettl, 2016; Rosenbloom, 2016, 150; Lamidi, 2015:21).

The emergence of New Public Management (NPM) in the 1960s–1970s advocated for adopting private sector management techniques in the public sector to enhance efficiency, effectiveness, and service quality (Frederickson et al., 2018; Webb, 2012). In the 21st century, the shift from 'public administration' to 'governance' gained prominence (Waldo, 2017; Rosenbloom et al., 2022). Governance plays a pivotal ethical role in public procurement administration. For instance, the Institute of Directors in Southern Africa (IoDSA) (2016:20) underscores corporate governance as ethical and effective leadership, encompassing procurement authorities. Ethical leadership, aligned with effective leadership, is essential for informed decision-making and fostering ethical practices (Kgomo & Plant, 2015:86). The table below presents the differences between ethical leadership and effective leadership.

Table 2.1: Prerequisite for ethical leadership

Ethical leadership	Effective leadership
<ul style="list-style-type: none"> •Effective leadership exemplified by integrity, competence, responsibility, accountability, fairness and transparency. •It involves the anticipation and prevention or amelioration of negative consequences of the organisation's activities and outputs of the economy, society and the environment and the capitals that it uses and affects. 	<ul style="list-style-type: none"> •Effective leadership is results driven. •It is about achieving strategic objectives and positive outcomes. •Effective leadership includes, but goes beyond, an internal focus on effective and efficient execution.

Source: Adapted from The Institute of Directors in Southern Africa (IoDSA). King IV. Report on Corporate Governance for South Africa 2016 (2016:20)

The presented theories address critical concerns within the realm of public procurement practice. These concerns encompass issues such as organisational conflicts of interest, effectiveness, efficiency, governance, leadership, professionalism, and the enhancement of administrative processes, including planning, staffing, organisation, direction, reporting, coordination, and budgeting. These theories also underscore the significance of factors like personnel stability, regulatory frameworks, competence, proper records management, and the principles of good governance. The insights provided by these theories have the potential to refine the approach to public procurement, positioning it as a strategic policy instrument (Thai,

2017). These theoretical frameworks are intertwined with the performance-based aspects of enacting legislation and establishing institutional structures within the procurement landscape. The theories emphasise the importance of having well-qualified and capable professionals, implementing procurement procedures and bid processes that prioritise accountability and transparency, and ensuring the attainment of value for money, integrity, and competitive practices (Bernal, San-Jose & Retolaza, 2019).

2.2.3.2 Principles of public administration

Public administration principles are those standards that citizens must abide by when interacting with government institutions and officials as well as those that political office holders and government employees must follow when performing their duties to serve the community (Du Toit, 2005). For an area like public procurement, where significant government spending occurs, the concepts of public administration are crucial. The Republic of South Africa's 1996 Constitution provides excellent guidelines for the use of public administration in the executive branch of government. In the field of public administration, commercial administration, and allied disciplines, respect for due process has become crucial.

The commitment to uphold and defend the Constitution can be symbolised and solemnised by an oath. The obligation to the Constitution is not only a legal requirement but also a source of ethical obligations. According to Fox (2014), cited in Fourie (2015), there are underlying values that guide human effectiveness. These values include justice, integrity, honesty, respect for human dignity, service, quality, and excellence, as well as potential and growth. Additionally, the public sector has a duty to ensure fairness in public procurement, where administrative reasonableness can be compared to procedural fairness.

The laws, principles, and practices of public-sector procurement can be used to further deconstruct public administration principles. All procurement procedures, rules, and methods of implementation ought to be based on the aforementioned ideals (Mazibuko, 2020). According to Aziz, Rahman, Alam, and Said (2015), a constant stream of governance failures, fraud, inefficiency, corruption, inadequate internal control, and bad financial management has made governance in public administration a global issue. Sethunyane (2021) argues that resource allocation efficiency and effectiveness are crucial, as well as professional ethics. Public procurement practices that are used in the public sector are regulated carefully by

procurement legislation. The best method can be chosen and used from among open, restricted, negotiated, competitive discussion, and solicitation procedures depending on the specifics of a contract (Shaheen, & Pradhan, 2019). The procurement process also includes various stages of the tender process.

There are important guidelines that pertain to public procurement that should be followed. Accountability, transparency, value for money, equity and competition are a few examples. According to Aziz et al. (2015), accountability is always linked to good governance, which suggests that public organisations that manage funds, carry out public business, and ensure the realisation of human rights in a way that is fundamentally free from abuse and corruption are also accountable to the law.

According to Shai (2017), in order to ensure that financial and other resources are used effectively and efficiently across all aspects of government operations, the concept of accountability has been developing and broadening. In the public sector, accountability has two components: accountability for what and accountability to whom. Politicians build accountability. The overall political, institutional, and financial frameworks have an impact on the processes of public accountability (Goodnow, 2017; Alam, Said & Abd Aziz, 2019). To enable procuring bodies to prudently allocate their limited resources, fundamental elements of effective procurement practice, including accountability, must be in place (Kgomo & Plant, 2015). According to Alam et al. (2019), accountability is a key component of any system for public procurement. Accountability is directly impacted by the public's, the media's, and other stakeholders' access to important procurement information.

Value for money serves as the main procurement motivator. It typically entails selecting the good or service with the lowest total cost that is 'fit for purpose' and satisfies requirements including cost and efficiency, effectiveness and quality, and performance targets (Sedarmayanti, Pradesa, Agnesia & Sitorus, 2020). Another crucial goal that has substantial economic ramifications is procurement process efficiency. Value for money is achieved by weighing efficiency against competition (Mazibuko, 2020; USAID, 2013:7). Best value is described by Fourie (2015:23) as 'the provision of economic, efficient and effective services, of a quality that is fit for purpose, valued by their customers, and are delivered at a price acceptable to the taxpayers who fund them.' Public procurement activities must take place in

competitive marketplaces in order to achieve value for money and function as a suitable tool for the public sector (Basheka & Auriacombe, 2020).

In order for governments and their constituents to get the best value for their money, the competition concept is crucial. In particular, it results in more affordable prices and higher-quality goods, services, and labour (Sedarmayanti et al., 2020). Free competition refers to procurement guidelines that hold all vendors to the same standards (Mazibuko, 2020). By providing incentives for bidders to keep an eye on a given procurement's adherence to the rules, competition helps to ensure the integrity of the procurement system. Both buyers and sellers are held to strict guidelines by competition (Basheka & Auriacombe, 2020).

Regarding the establishment of a mechanism for monitoring and enforcement as well as the restriction of officials' discretion, transparency is a crucial component of sound procurement practices (Shastri, 2019). Discrimination is prohibited, and equality, transparency, and relativity are encouraged. According to the non-discrimination principle, all bids on an offering are treated equally regardless of where they are from. Equality indicates that a tender must be written so as not to place offering bids in an unequal position with respect to one another (Sedarmayanti et al., 2020). Public procurement practice is fundamentally based on public administration concepts and the corresponding procurement principles. Public and private procurement processes differ due to the principles of public procurement (Shava & Mubangizi, 2019). Bidders in the private sector have more freedom in terms of where, how, and how much they can spend, but government agencies must always ensure that the rules are upheld when buying products and services. The purchasing authority must strike a balance between protecting the public from unethical procurement practices and ensuring that public monies are spent fairly (Shin, 2018).

2.2.3.3 The nature of public-sector procurement

Given that governments spend between 10 percent and 15 percent of their GDP on procurement, their purchasing decisions have an impact on both domestic and global trade (Manyathi, Burger & Moritmer, 2021). According to Flynn (2018), governmental procurement spending accounts for 29 percent of South Africa's GDP. The construction of SMMEs and the creation of jobs are two ways that the government uses public procurement as a socioeconomic tool to better the lives of its citizens. The buying and selling of products, labour, and services makes a significant contribution to economic expansion. In order to accomplish their goals and

have a substantial impact on important stakeholders as well as the general public, governments invest public funds to obtain inputs and resources (Shin, 2018).

The national, provincial, and local realms of government as well as the public entities are referred to as contracting authority in the Constitution of the Republic of South Africa. The relationship between contracting agencies and the state is crucial to the purpose and scope of public procurement legislation. The Preferential Procurement Policy Framework Act (PPPFA), 2000 (Act 5 of 2000), the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA), and the Constitution, 1996 (RSA, 1996) make up the legislative framework. Additionally, the Broad-Based Black Economic Empowerment Act (BBBEEA) of 2003 (Act 53 of 2003), procurement restrictions, the Municipal Finance Management Act of 2003 (Act 56 of 2003) (MFMA), and other complementary pieces of legislation. The supplement does include all governmental organs and associated entities' purchasing habits or practices, which are essentially closely related to the state.

On behalf of the general public, national departments and public organisations disperse public monies (Sibanda, 2017). It is becoming clearer and clearer that public procurement plays a vital role in government when it comes to providing citizens with economic prospects. The management of procurement procedures can help to make sure that commodities, services, and public works are distributed in a way that supports the creation of jobs (Sinxadi & Campbell, 2015).

2.3 South African local government: structure and scope

The 1996 Constitution of the Republic of South Africa divided the country into three spheres of government: national, provincial, and local governments. These spheres operate through a bifurcated structure of government establishing direct relations and responsibilities between national government and provinces, on the one hand, and between national government and local governments on the other, thus creating two separate spheres of sub-national governments in South Africa (Manyathi et al., 2021). However, as stated in the Constitution, these spheres of governments are 'distinctive, interdependent, and interrelated' (section 40(1), Constitution of the Republic of South Africa, 1996, Act No. 108 of 1996).

Govinden (2020) observed that after the 1996 Constitution and the 1998 Local Government Municipal Structures Act, local governments in South Africa were divided into three tiers or

categories, namely: metropolitan municipalities (category A), which exclusively cover the large urban areas; local municipalities (category B), which cover smaller and medium-sized jurisdictions located primarily in urban areas; and district municipalities (category C), which geographically cover several local municipalities. Their main purpose was clearly defined in section 153 of the Constitution (Constitution of the Republic of South Africa, 1996, Act No. 108 of 1996) and was to ‘structure and manage their administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community, and participate in national and provincial development programmes’ (Lunga, Lubbe & Meyer, 2019)

Gumede, Byamukama and Dakora (2019) observed that the fiscal decentralisation provisions in the 1996 Constitution led to the devolution of substantial powers, functions, and duties to local governments in South Africa. The key service delivery municipal functions include water and sanitation services, refuse removal, electricity, roads, and storm water management. This assignment of powers and expenditure functions considerably varies within and across categories of municipalities, with municipalities in large urban areas with greater ability and capacity to provide an extensive range of services and with some category B and category C municipalities with limited ability to independently render few basic services (Smoke, 2015).

In terms of revenue assignment, local governments are granted a number of their own revenue sources by the Constitution in order to effectively carry out decentralised functions (Constitution of the Republic of South Africa, 1996). Monkam (2014) aver that they are mainly dependent on two own sources of revenue: rates on property, and surcharges on fees for services provided by or on behalf of the municipality. They could also rely on other taxes authorised by national legislation with the exception of income tax, value-added tax, general sales tax, and customs duties. Overall, municipalities in South Africa are largely self-financing in that they raised a significant share of their revenue through the above-mentioned own sources of revenue (Snelson, 2019).

Additionally, the Constitution also entitles municipalities to an equitable share of national revenues to assist them in providing basic services to poor households. The structure of the local government equitable share formula and its components are determined and updated each year in the Division Revenue Bill in its Annexure W1 to the Budget Review (Part 5). Revenues raised by the national government are also transferred to municipalities through conditional

and unconditional grants (Gumede et al., 2019). According to the department of Cooperative Governance and Traditional Affairs (CoGTA, 2018), the overall state of local government in South Africa was not satisfactory or promising to say the least. However, Sujarwoto (2017) asserts that it is important to keep in mind that there is a tremendous disparity within and across municipalities, economically and politically, and in terms of location (urban versus rural), topography, performance, and capacity (whether human resource, financial, and institutional).

Most of the challenges faced by municipalities in South Africa mainly arise due to service delivery failures stemming from huge backlogs, inadequate revenue collection, corruption and fraud, poor financial management systems, and lack of high-skilled personnel (Masiya, Davids & Mangai, 2019). In this context, it is essential to empirically revise the productive or technical efficiency of municipalities and its determinants in South Africa. The results of such an exercise will contribute to the understanding of contributory external and internal factors influencing the effectiveness and capability of municipalities in the country and will therefore help inform policy decisions aimed at improving local service delivery. An important challenge for South Africa would be to develop a comprehensive reform blueprint in its system of fiscal decentralisation that would best fit its very diverse local government landscape (Hofstetter, Bolding & van Koppen, 2020).

According to Mazibuko (2018), significant elements of any additional classification are frequently left out, despite the superficial legislative division of South African local government into metropolitan, district, and local municipalities. Ayandibu and Houghton (2017) emphasise that these elements are required for characterising the constructions of local government, as well as its difficulties, policy objectives, and residents' experiences in local municipalities. Local governments can be separated into towns and townships, each of which has a unique development pattern.

Colonial towns, sometimes known as 'towns,' were formerly known as 'white suburbs,' which are best understood as economic hubs where mainstream economic activity take place (Sedarmayanti et al., 2020). They are very different from townships in terms of their economic makeup and are smaller than metropolitan areas. They include a combination of decentralised business centres and suburbs, industrial regions, and upper- and middle-class residential neighbourhoods and were designed to house commercial and public functions. Towns are locations where major public and private sector investment takes place, in line with apartheid

regulations (Munzhedzi & Makwembere, 2019). They have SMMEs that are well-established and have benefited from government backing over many years. Despite the level of development of SMMEs in towns, the bulk of public sector institutions are found there, which contributes to the tax and economic base of towns as well as their level of development as a whole. Towns tend to attract investors because they are safer than townships, have intricate infrastructure networks, and support a positive economic climate. Black people were historically not allowed to live in towns; if they did, they were forcibly removed and moved to townships (Ayandibu & Houghton, 2017).

In contrast, South Africa's townships are underdeveloped urban neighbourhoods that were only accessible to non-white people (Black Africans, Coloureds, and Indians) from the late 19th century until the end of apartheid. According to Williams (2000) and the South African Cities Network (SACN, 2009), townships are constructed on the outskirts (some distance from) colonial cities and are components of racially designed town planning laws imposed by the Group Areas Act 41 of 1950. According to the Land Survey Act 8 of 1997, townships are made up of public spaces and primarily used for residential, commercial, industrial, or similar uses. They may also have significant surrounding informal settlements. At least one township will be connected to each town. Since 1994, some older townships have experienced substantial growth, with the emergence of wealthy and middle-class neighbourhoods, for example. Despite the end of apartheid, a significant portion of South Africans still live in townships. Township residents frequently depend on towns for both market and remittance opportunities.

2.3.1 Municipal finance

Mazibuko (2018) asserts that municipal finance refers to the decisions that municipal governments make about revenue and expenditure. These decisions cover the sources of revenue in the form of taxes used by municipal governments and intergovernmental transfers. They also include ways of financing infrastructure from operating revenues and borrowing, as well as charges on developers and public-private partnerships (Sumah & Baatiema, 2019). The need for municipal finance Municipalities cannot deliver services to the community without sufficient finances, so they must generate money by raising taxes, levies, rates and service charges from the ratepayers within their municipalities (Du Toit, 2005). This implies that no municipal institution can procure goods and services and in turn provide them to communities unless they have enough money available to pay for operational costs. If a municipality does not have a sustainable monetary income, that municipality cannot meet its commitments.

2.3.2 Key legislative requirements to drive sound municipal finance

Municipalities are guided by a range of legislative requirements aimed at effectively managing their revenue and expenditure. The 1996 Constitution of South Africa grants municipalities the authority to generate income, but within the framework of national legislation (the Constitution of the Republic of South Africa Act, 1996). Key principles that underpin the municipal finance system encompass revenue sufficiency and certainty, sustainability, optimal resource utilisation, transparency, accountability, equitable redistribution, development and investment, and macroeconomic management. Apart from the Constitution, pivotal Acts play a significant role in shaping prudent financial and revenue practices:

The Local Government: Municipal Systems Act, (32 of 2000), aligns with the Constitution's guidelines and the White Paper on Local Government (9 March 1998). This Act addresses various aspects emerging from constitutional mandates. Sections 62(1), 64(1), and 96(b) of this Act specifically regulate the gathering and administration of municipal revenue, with a substantial share originating from service provision.

The Local Government: Municipal Finance Management Act, (56 of 2003), aims to establish treasury norms and standards for municipalities and municipal entities, fostering responsible fiscal and financial management. The Act's goal is to ensure the prudent handling of municipal financial matters. In accordance with Section 153 of the Constitution, municipalities must structure and oversee their administrative, budgeting, and planning processes to prioritise community needs and foster social and economic growth. South Africa comprises 278 municipalities, classified as 8 metros (Category A), 44 districts (Category B), and 226 local municipalities (Category C), all functioning as local governments. These municipalities rely on financial resources to fulfil their duties and cover services provided by external entities and individuals.

2.4 Theoretical framework for devolution and service delivery.

This section involves an examination of key theoretical perspectives concerning devolution and its impact on service delivery.

2.4.1 Principal-Agent Theory

The Principal-Agent theory is one of the prominent theoretical frameworks used to analyse and explain reforms in public governance (Frederickson et al., 2018). This theory posits that

principals, who have specific desired outcomes, can effectively achieve these outcomes by providing agents with clear instructions regarding job programs and objectives to be implemented. The core concept of agency theory revolves around how principals can align the interests of agents with the overarching goals they aim to accomplish (Sun & Razzaq, 2022). Principals are tasked with two fundamental responsibilities: first, selecting the most suitable agents, and second, creating incentives to ensure that agents act in alignment with the desired objectives. The challenge arises when there is a conflict of interests between the parties or when it becomes difficult for the principal to accurately monitor the agent's actions. As Ehrenberg, Smith and Hallock (2021) point out, this information asymmetry introduces issues related to adverse selection and moral hazard.

According to Fukuyama (2013), devolution can be seen as a transformation of the relationships between principals and agents, granting principals greater influence over the agents responsible for service provision. When examining devolution reforms through the principal-agent lens, it becomes possible to elucidate the trade-offs between different tiers of government and the implications of devolution for the actors involved (Ehrenberg et al., 2021). In this context, local governments function as agents, carrying out their duties on behalf of the central government, which acts as the principal. Local governments are tasked with the implementation of service delivery functions. However, critics argue that this theory presents a one-sided view by portraying agent behaviour as primarily self-serving, neglecting the aspects of agent loyalty, professionalism, and pride in aligning with the principal's goals (Talitha et al., 2020). Furthermore, the theory does not account for opportunistic behaviour by principals, particularly in public services where politicians and bureaucrats may personally benefit from colluding with private agents (Thornhill, 2020).

This theory holds relevance in the current study as it offers a robust framework for comprehending the dynamics of a delegation relationship, where one party (central government) entrusts tasks to another (county governments) for execution. Politicians in counties, such as members of the county assembly and governors, act as agents of the citizens and are expected to act in good faith to fulfil the central government's objectives (Thornhill, 2020). Failing to address principal-agent problems can lead to governance issues, including a lack of social accountability. The Principal-Agent theory has gained widespread use in analysing public accountability because it provides a versatile framework for modelling various institutional arrangements and assessing their potential to encourage desirable behaviour by

agents. This study leverages the Principal-Agent theory to explore the practices of social accountability between citizens and politicians (Tshishonga, 2019).

2.4.2 Soufflé Theory

The Soufflé Theory, introduced by Komba, Mlozi, and Mvena (2018), delineates three primary facets of decentralisation: administrative, fiscal, and political decentralisation. According to this theory, decentralisation is a multifaceted progression characterised by both achievements and setbacks (Ubago Martínez, 2017). The theory posits that the successful implementation of decentralisation necessitates the appropriate amalgamation of political, fiscal, and institutional components, all of which contribute to enhanced rural development outcomes. Consequently, decentralisation endeavours should remain adaptable and subject to continuous adjustments in response to shifts in social, political, and economic contexts (Van de Walle, 2018). Hence, it is imperative to encompass all dimensions of political, fiscal, and administrative decentralisation. Administrative decentralisation entails the redistribution of authority, responsibility, and financial resources for service provision across various government levels. The figure below is a schematic presentation of the Souffle theory. This theory emphasises the need for careful attention to various factors, such as local capacity, governance structures, and financial arrangements, to achieve a successful outcome in the form of improved service delivery.

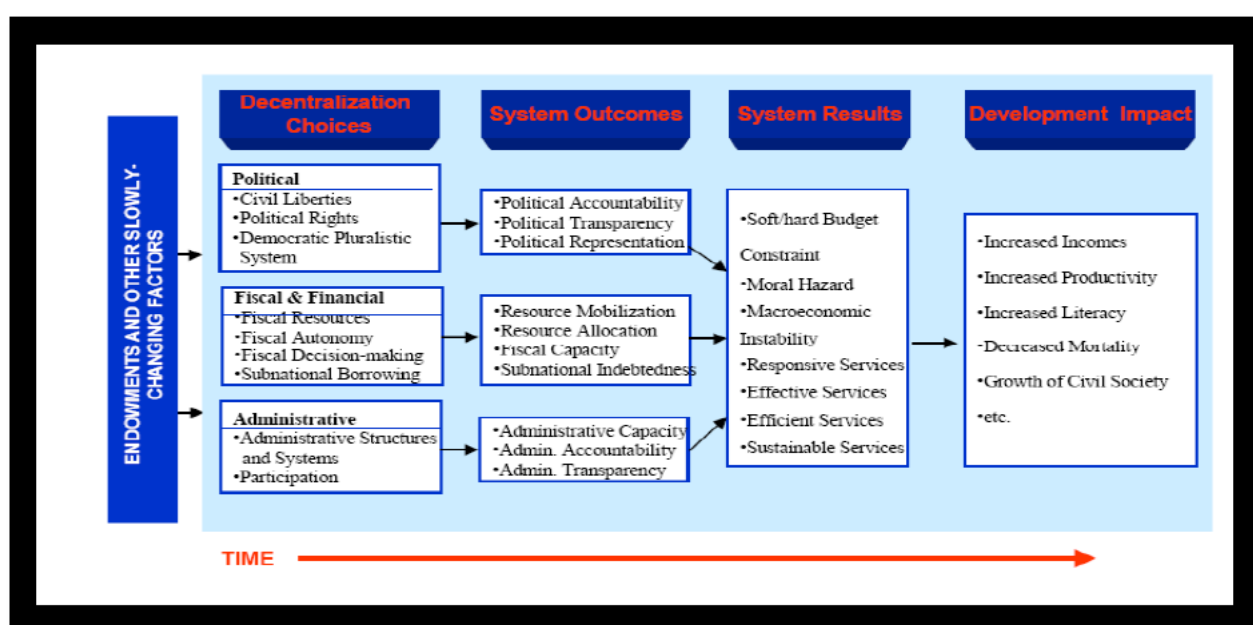


Figure 2.1: The Souffle Theory (Source: Karama, 2022:27)

Decentralisation is a process where central governments delegate planning, financing, and management responsibilities to local authorities, granting them administrative autonomy to address local needs more effectively (Derow & Muhindi, 2021). Komba et al. (2018) contends that fiscal decentralisation empowers local governments to generate and allocate revenue as it transfers funds from the central government to local authorities, enabling them to deliver decentralised functions and essential services (Godida, 2014). Multiple mechanisms can enhance local accountability, including third-party monitoring by media and non-governmental organisations, active citizen participation, and central government oversight of local authorities (Godida, 2014). Therefore, this theory offers a comprehensive understanding of the various aspects of devolution, encompassing financial, political, and administrative dimensions, which are examined in this study.

The Souffle theory of decentralisation holds particular relevance to the current study, emphasising the political, administrative, and fiscal dimensions of devolution. Consequently, this research investigates governance devolution variables, specifically financial, administrative, and political devolution, based on the sequential theory of decentralisation.

Decentralisation significantly contributes to informed decision-making by involving multiple stakeholders, thus providing diverse perspectives. Moreover, it enhances oversight and performance management through increased access to performance data, thereby improving accountability. Consequently, decentralisation fosters good governance within organisations by enhancing transparency in processes and functions. The theory aids in evaluating devolution's performance by assessing how decentralised roles and responsibilities function under new management, highlighting disparities between expected projections and actual outcomes (Komba, 2018). It underscores the importance of incorporating political and organisational goodwill for the success of decentralisation, given their significant influence on decision-making, performance management, and human aspects of devolution and public participation due to their impact on organisational culture (Aboagye, 2015).

The theory of decentralisation holds substantial relevance for the present study as it promotes good governance and service enhancement. To achieve lasting and valuable impacts, service improvements must align with the beneficiaries' needs. Projects failing this criterion often become underutilised, dilapidated, or vandalised, incurring significant losses for the

implementing organisations (Aboagye, 2015). Devolution, therefore, equips us to address these existing challenges and dilemmas in South Africa effectively.

2.5 Conceptualisation Framework for Municipality administration

Figure 2.2 below provides a visual representation of the key elements and relationships within a conceptual framework, serving as a valuable tool for understanding the structure and interconnections of various components that contribute to a comprehensive conceptualisation. By illustrating the relationships between key concepts or variables, the framework aids researchers, analysts, or practitioners in organising their thoughts and guiding their investigations.

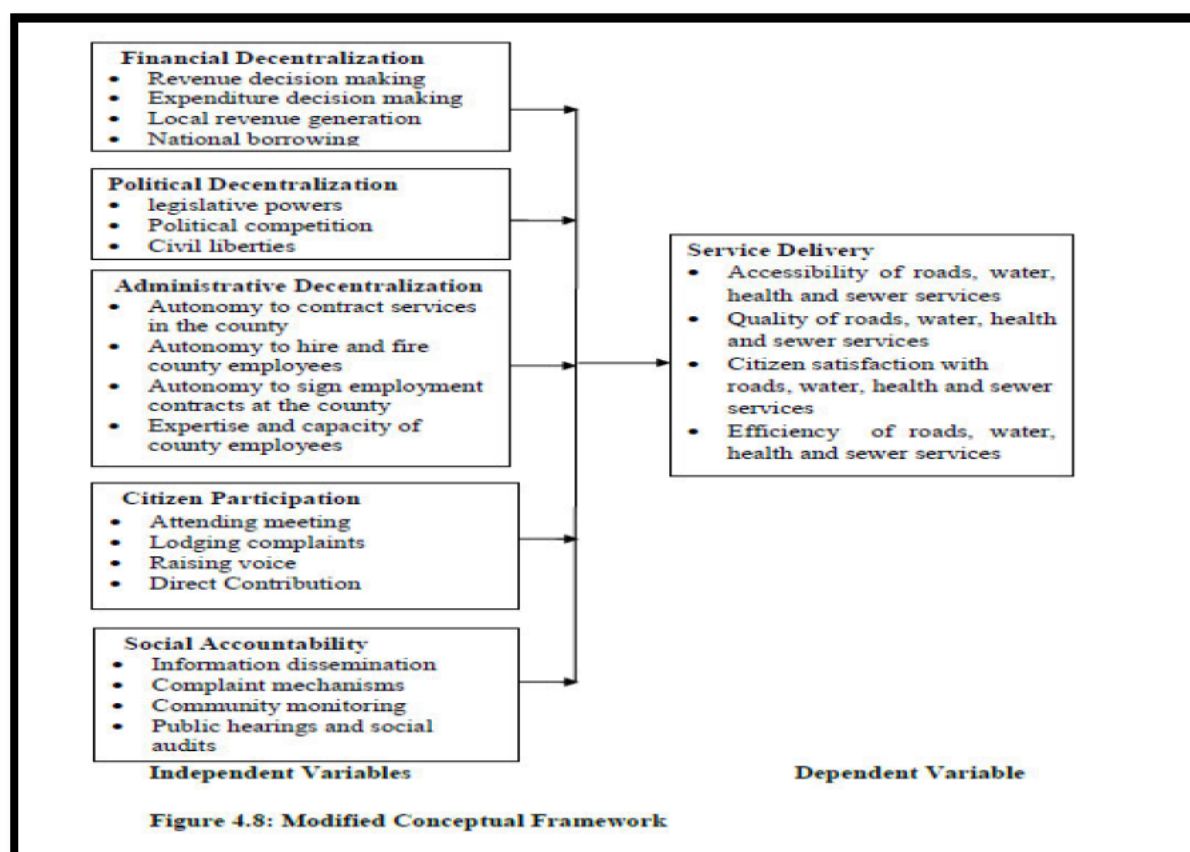


Figure 2.2: The Conceptualisation Framework (Sorce: Bucci, Ferrara, and Resce, 2023:15)

2.5.1 Fiscal decentralisation

More governments, both in rich and developing nations, have adopted fiscal decentralisation strategies in recent years by giving sub-national governments decision-making authority over spending and revenue. The justification for the decentralisation policy dates back to Tiebout

(1956) and Oates (1972), who backed the notion that transferring authority to lower levels of government could enable a better alignment between public policies and citizen preferences, implying welfare advancements. In particular, a decentralised structure of government could boost the accountability of locally elected policy-makers, encourage community participation, foster competition among jurisdictions, and promote innovation in public policies and the spread of best practices (Bucci, Ferrara, and Resce, 2023). These factors all contribute to the efficiency of service provision.

A financially decentralised system allows subnational branches of government to have different policies to better represent the desires of its constituents. Additionally, fiscal decentralisation puts the government in close proximity to the populace, and a representative government functions best when it is (Komba, 2018). Theoretically, fiscal decentralisation is justified on the grounds that ‘each public service should be provided by the jurisdiction having control over the minimum geographic area that would internalise benefits and costs of such provision’ (Ubago Martinez et al. 2018). Although the idea suggests that local governments are more effective than central governments in providing public goods, decentralisation may also have unfavourable effects (Ubago Martínez, 2017). Some potential restrictions on decentralisation strategy include diseconomies of scale, local entities' manipulation of the decision-making process, or small local governments' lack of organisation and administrative capability (Schipper, 2021). Furthermore, Bucci et al. (2023) assert that fiscal decentralisation may be linked to an increase in regional inequities.

The effects of fiscal decentralisation on many economic and fiscal elements have long been researched in the literature. Many studies have examined how services are delivered, analysing in particular how education and health, the two most significant categories of decentralised services globally, are delivered. There is broad agreement that decentralisation plays a key impact in enhancing health and educational results (Cavalieri & Ferrante, 2016). Although these analyses are still in their infancy, some encouraging results have come from empirical studies on infrastructures, another kind of functional service delivery (Martinez-Vazquez et al., 2017). According to several research that looked into the connection between fiscal decentralisation and public spending, there isn't a significant systematic relationship between the two (Schipper, 2021; Obeng, 2021). The effects of decentralisation on economic growth, macroeconomic stability, income inequality and poverty, or social welfare are other concerns getting attention in the empirical research (Sacchi & Salotti, 2014; Espasa et al., 2017).

The relationship between decentralisation and efficiency has frequently been studied at the macroeconomic level in cross-country analysis, but no consensus has been reached, likely as a result of the various estimating techniques and variables utilised (Ubago Martinez et al., 2018). Adam et al. (2014) look into the effectiveness of the public sector in delivering health and education services in a sample of 21 OECD nations between 1970 and 2000. According to Letelier and Ormeño (2018), the efficiency of the public sector at the national level is calculated using various concrete measurements of services as input and public spending as output.

The authors demonstrate that, up to a certain point, the correlation between fiscal decentralisation and public sector efficiency shifts, displaying an inverted U-shaped relationship. In contrast, Ubago Martinez et al. (2018) employ a different conception of technical efficiency in which the GDP of nations and regions is the output and capital and labour are the inputs of production processes. The authors show evidence of a negative relationship between fiscal decentralisation and technological efficiency through an empirical research using a sample of 23 OECD nations from 1992 to 2009.

The evidence is quite thin at the local level, and typically contradictory conclusions are drawn. In contrast to Barankay and Lockwood's (2007) analysis of Swiss cantons, which clearly shows a positive relationship between decentralisation and effectiveness in the delivery of educational services, Letelier and Ormeno (2018) analysis of Spanish municipalities is unable to show whether giving municipalities more authority is good or bad for efficiency. According to Martinez-Vazquez et al. (2017), who conducted a thorough review of the literature on the effects of fiscal decentralisation on the economy, the empirical results in such sectors are still generally inconsistent.

The empirical literature has generally used the ratio of local to total revenues as a proxy to develop a measure of fiscal decentralisation (Cavalieri & Ferrante, 2016). As a result, the degree of taxation autonomy, which is calculated as the ratio of current municipal tax income to the sum of all current revenues at the municipal level, can be used to measure the degree of fiscal decentralisation. It is possible to take into account how the level of fiscal decentralisation has changed over time by using a continuous indicator with a range of 0 (no taxation autonomy) to 1 (highest taxation autonomy) (Cavalieri & Ferrante, 2016). Furthermore, the control of common time trends and unobserved municipal-level factors that could skew the estimation findings is made possible by municipal and time fixed effects.

Decentralisation is primarily justified based on informational benefits, a closer alignment between local residents' preferences and the provision of public goods, potential parallels between inter-jurisdictional interaction and the operation of competitive private markets, and a deeper level of government accountability (Letelier & Ormeno, 2018). With various nuances and based on different datasets, numerous studies across different country groups have found evidence supporting that, both political and fiscal decentralisation enhance certain aspects of educational performance (Hanif, Wallace & Gago-de-Santos, 2020; Amagoh & Amin, 2012; Letelier & Ormeno, 2018; Filippetti & Sacchi, 2016).

However, a study by Filippetti and Sacchi (2016) presents evidence indicating that subnational fiscal decentralisation only improves programme for assessment test scores in developed countries and has a negative effect in developing countries. Heterogeneous results are also observed within developed countries themselves. For instance, a study using panel data from 21 OECD countries by Adam et al. (2014) concludes that after decentralisation, improvements in the efficiency of education and health provision follow an inverted U-shaped pattern. This means that benefits are apparent only in countries with a low level of fiscal decentralisation. As this level increases, losses in scale economies outweigh the benefits derived from heightened accountability, potentially resulting in a negative net outcome of fiscal decentralisation (Letelier & Ormeño, 2018).

According to Baldini and Baldi (2014), countries like Italy underwent a complex process of institutional transformation following the so-called 'First Republic' in the early 1990s. Among other countries, including the UK, Spain, and Belgium, Italy stands out as a key European country that significantly restructured its institutions by granting more authority to regional governments in the past half-century. Arends (2020) suggest that local autonomy is closely monitored by the Council of Europe in approximately 50 countries where operations have been decentralised to local and regional authorities. This monitoring is intended to provide initial insights into the state of affairs in these countries. Baldini and Baldi (2014) express the opinion that even two decades after the initiation of the process in the mid-1990s, Italy continues to face challenges in concluding its constitutional reform aimed at implementing federalism, political decentralisation, fiscal decentralisation, and administrative powers.

Brosio (2014) posits that decentralisation operates like a pendulum, analogous to the situation in the Philippines where the government periodically reviews the advantages of devolving power. It then delegates certain responsibilities back to the centre based on the outcomes of these reviews. Guo, Opoku, Hynes and Yan (2021) claim that the Chinese government established a Tax Sharing System (TSS) aimed at reducing negotiations on revenue sharing with subnational governments. This allowed the central government to hold a larger portion and exert influence over revenue distribution. Before the TSS, the Chinese government employed the Fiscal Responsibility System (FRS), highly regarded for its contribution to China's economic growth (Qian & Zhang, 2018).

Macharia, Wambua, and Mwangulu (2014) argue that decentralisation enhances participation, design, and mechanisms of participation within subnational governments, encouraging community engagement. However, research on developing countries examining the direct impact of participation on decentralised service delivery outcomes remains limited. Jia, Guo, and Zhang (2014) contend that in decentralised systems, communities partly finance government services. However, when expenditure decentralisation is not in alignment with revenue decentralisation, efficient service delivery by the government might be compromised.

African countries have varying outcomes with decentralised government systems. Balunywa, Nangoli, Mugerwa, Teko, and Mayoka (2014) suggest that in late 1990s Uganda, decentralisation instilled hope among communities for improved revenue collection and local government service delivery. This was anticipated through privatisation, expected to enhance revenue collection over the previously centralised system, where tax misuse occurred. Macharia et al. (2014) emphasise that Kenya's government decentralised to prevent tax misuse by national government employees, ensuring efficient service delivery and holistic benefits for the country. This underscores citizens' significant role in resource-effective development.

Sow and Razafimahefa (2015) propose that for fiscal decentralisation to improve performance, certain conditions are necessary. These include an effective independent local government, heightened accountability at critical levels, good governance, and well-capacitated local institutions. In contrast, Dada (2015) argues that countries like Nigeria decentralised crucial social services to subnational governments, believing they can better serve constituencies due to proximity and quicker responsiveness than the distant central government. Zongwe (2019) suggests that governments adopted decentralisation to promote national unity and establish

centres for motivation and development. Similarly, Letelier and Ormeno (2018) posits that fiscal decentralisation and increased grant allocation to subnational governments led to significant public revenue growth. However, health and education indicators show limited improvements. Zhang and Hewings (2019) state that the Congolese government decentralised in an effort to promote national unity, ending civil strife, political and military conflicts, and subsequent migration and deaths. Consequently, decentralisation fosters unity among local citizens.

Arends (2020) argue that governments should decentralise power and authority to subnational structures. They also suggest considering socio-political viewpoints that could enhance the responsiveness of local governments. In a similar vein, Zhang and Hewings (2019) reject the notion of having local government structures that are perceived as discriminatory towards community participation. This perspective is further supported by Karuaihe, Molokomme, Mathebula, and Sakoane (2016), who posit that the Community-Based Management (CBM) of water points offers alternative methods to enhance water access and management in rural communities. Achieving this requires a well-coordinated approach involving society, government, and, where applicable, the private sector. This collaboration aims to develop essential infrastructure and establish effective institutional arrangements within communities.

According to del Granado, Martinez-Vazquez, and McNab (2018), fiscal decentralisation enables local governments to enhance efficiency in allocating public goods, as they possess better information from their constituencies to aid in making more informed public spending decisions. The provision of services in a decentralised government system empowers local governments to offer a combination of services within their respective operational domains, as opposed to a centralised government system where understanding local challenges and preferences might be lacking. Martinez-Vazquez, Lago-Peñas, and Sacchi (2017) argue that over the past few decades, a majority of countries have transferred their political and fiscal authority to subnational governments. Garman et al. (2001) cited in Martinez-Vazquez et al. (2017), suggests that around 80 percent of developing countries were undergoing some form of decentralisation process at the turn of the millennium. The motivations for countries to decentralise vary between nations. A significant number of unitary countries from a few decades ago opted for a decentralised system in an attempt to establish a more streamlined and efficient government structure.

According to Martinez-Vazquez et al. (2017), fiscal decentralisation pertains to how countries structure their service delivery systems to establish conducive conditions for substantive development and well-being. It also aims to restore confidence in public policies and initiate a broader policy consensus. Bucci et al. (2023) argued that some countries have recognised the shortcomings of past planners and their centralised policies. Additionally, Martinez-Vazquez et al. (2017) further assert that there are occasions when grassroots-level demands must be addressed to uphold democratic principles through decentralisation. However, other decentralisation decisions are formulated to manage centrifugal forces, racial conflicts, and/or pro-independence movements. This approach aims to alleviate social and political tensions by granting greater local autonomy. The notion that decentralisation is intended to enhance access to public services is corroborated by Faguet and Sánchez (2014). Nonetheless, this does necessitate local governments to allocate funds for service delivery. In contrast, a contrary view is presented by Treisman (2007), as cited in Faguet and Sánchez (2014). Treisman suggests that there is a belief that decentralisation might lead to increased corruption, reduced efficiency, and a diminished capacity for service delivery when compared to centralising service delivery within the central government.

2.5.1.1 Decentralisation and local financial autonomy

A crucial idea in the literature on fiscal decentralisation is sub-government (fiscal) autonomy or local (fiscal) autonomy. The word ‘autonomy’ refers to the ability of local governments to carry out their responsibilities and specialties on their own. Any type of decentralisation, including de-concentration, delegation, or devolution, involves varying degrees of autonomy (Bird, 2012). True fiscal decentralisation argues that local governments should primarily use their own sources of income to fund their expenses. Furthermore, central governments should provide subnational government’s significant flexibility over their own revenue generation, including the right to choose their own tax rates, tax bases, and other revenue-raising tools (Bucci et al., 2023). Bahl and Bird (2018) asserts that local government authorities are more fiscally independent and more capable of long-term financial planning when they finance their expenditure responsibilities primarily with their own revenues, such as fees, local taxes, and revenues from local property. This may also increase local government accountability.

According to Psycharis, Zoi, and Iliopoulou (2016), the traditional theory of fiscal federalism contends that decentralisation of fiscal powers benefits citizens because it ensures a better match between expenditures, local needs, and preferences for public goods and services.

Additionally, Martinez-Vazquez et al. (2017) contend that it offers incentives for fiscal and economic policies that are more effective and growth-oriented. Local residents are more involved, which improves responsiveness, supports democracy, accountability, and transparency (Psycharis et al., 2016). Decentralisation could have negative effects, nevertheless, such as rising inequality, cronyism, and corrupt practices (Bahl & Bird, 2018). In terms of resource allocation, externalities and cross-jurisdictional spillover effects may also reduce economic efficiency. Finally, more local autonomy and decentralisation may be harmful to growth and efficiency as well as stability and macroeconomic policy (Bucci et al., 2023). The ideal degree of autonomy therefore necessitates careful calculation of trade-offs with economic efficiency, equity, and stability and constitutes a dynamic equilibrium between them, which varies across nations and throughout historical periods.

Ebel and Yilmaz (2002) contend that the decentralisation theorem is predicated on the idea that the federal government can only supply goods and services uniformly across jurisdictions. As a result, fiscal decentralisation may result in efficiency improvements that are both managerial and allocative. According to Derow and Muhindi (2021), decentralisation will improve efficiency since local governments are more aware of the requirements of their constituents than the national government is. In contrast to decisions made by a distant central government, decisions about public expenditure are more likely to represent people's preferences when made by a level of government that is closer to and more responsive to a local constituency (Wagana & Iravo, 2017). People will look around for the community that best suits their tastes if public amenities are paid by local taxes that reflect costs (Tiebout, 1956). This will allow them to 'vote with their feet.' As a result, fiscal decentralisation will spur local governments to compete more fiercely for the best possible use of public funds. Therefore, fiscal decentralisation encourages inter-jurisdictional rivalry that limits governments' excessive taxing power by acting as a check on the behaviour of the revenue-maximising government (Ebel & Yilmaz, 2002).

Despite the potential benefits of decentralisation, political, not economic, factors have typically been the driving forces behind it in most nations. Decentralisation, for instance, has been a key component in initiatives to strengthen and restore democracy in Latin America (Rojas, 1999). Interest in fiscal decentralisation has grown in other nations as a result of central governments' poor track records in achieving macroeconomic stability, sustainable growth, and acceptable levels of public services. In order to reduce the burden on the central government and increase

reliance on lower level governments, which are frequently underutilised and have untapped revenue potential, nations like India, the Philippines, Columbia, and Brazil have begun delegating some public sector duties to subnational governments (Psycharis et al., 2016).

Decentralisation changes are implemented in certain developing nations without the necessary intergovernmental funding arrangements, institutional support mechanisms, or legal framework. Decentralisation has been attributed to macroeconomic instability, regional inequities, and inefficiencies in the public sector in these nations where subnational governments have fallen short of expectations (Ubago Martinez et al., 2018). According to some macroeconomists, a decentralised system where policymaking is shared among different levels of government may cause macroeconomic issues to worsen because central control over monetary and fiscal policies is circumvented (Khalid & Yasmin, 2023; Mangnejo & Rahpoto, 2019). The spillover effects of local expenditure, inflationary pressures from the monetisation of local debt, and cyclical shocks are all things that central governments are better suited to handle, in their opinion. Decentralisation can worsen things to the extent that this line of reasoning exposes the possible issues that could arise when intergovernmental relations systems do not have checks and balances. It is difficult to create an effective decentralisation policy; it can either be done well or poorly (Bojanic, 2018).

2.5.1.2 Fiscal system challenges impact water and sanitation service delivery

Many people in African nations do not have access to sanitary toilets, handwashing stations, or clean drinking water, which puts them at risk of fatal illnesses and impedes the advancement of public health (Bishoge, 2021). In addition to enhancing health and saving lives, water and sanitation systems are essential to the development of more prosperous, safe, and stable societies. Infrastructures for water and sanitation must be built and maintained, which requires the allocation of financial resources and labour. Thus, while developing and implementing sanitation and hygiene services, African nations have encountered the following difficulties.

In every nation, funds are needed to establish and sustain services and systems related to sanitation and hygiene. To increase access to water and sanitation in poor nations, financing for the water supply, sanitation, and hygiene sectors remains a significant concern (Taal, 2020). The majority of African nations lack adequate financial frameworks to address serious issues with sanitation and hygiene. Africa is estimated to require more than 16 billion US dollars a year to meet SDG 6 by 2030 (United Nations, 2019a). It is estimated that the annual cost of sanitation and hygiene services in African countries amounts to 0.9% of GDP. For example, in

2013, the majority of local government organisations in Lesotho, including the Hoek Urban Council in Maseru, suffered from a shortage of funding to finish sanitation and hygiene initiatives (Bishoge, 2021).

Furthermore, the UN-Water Global Analysis and Assessment of Sanitation and Drinking Water (GLAAS) study states that hiring procedures severely restrict cleanliness in Lesotho and that financial resources for staff costs are a moderate barrier for all sectors (Armah et al., 2018). Derow and Muhindi (2021) suggest that the majority of African nations have low investment in sanitation and hygiene, few ready investment projects, and low-cost recovery. For example, Abubakar (2017) noted that Nigeria makes minimal investments in the sanitation industry. According to Van Dijk et al. (2014), Dar es Salaam and Kampala's slums have poor financing for sanitation and cost recovery.

In addition, inadequate collaborations exist between sanitation authorities and financiers, which could facilitate the creation of viable investment prospects by raising the financing sector's cognisance of the particularities surrounding sanitation and hygiene (Bucci et al., 2023). For funding to become a reality, the conditions must be favourable from the outset. Furthermore, there is a lack of aggregated information regarding government spending in Africa on sanitation, hygiene, and water delivery. The World Bank (2019) reports that in 24 Sub-Saharan African (SSA) countries, only 2% of total spending was devoted to building, restoring, or improving the capacity of sanitation and hygiene facilities. Coombes, Hickling, and Radin (2015) argue that the SSA GDP has lost 1% to 5% annually as a result of adequate investment in and provision of basic sanitation and hygiene services. Therefore, further planning, funding, and strategy development for sanitation are needed. Investigating commercial funding options, especially for urban infrastructure, should go hand in hand with this. Similar to what Bahl and Bird (2018) suggested, governments, financial markets, water authorities themselves through tariffs, multilateral financial institutions, and public development aid—ideally in the form of grants—should provide the funding for water supply, sanitation, and hygiene services.

The Republic of South Africa's COGTA (2009a) Local Government Turnaround Strategy has shed light on the deficiencies in financial governance and skill levels that contribute to the nation's poor municipal fiscal health. 93% of municipalities were in financial difficulties by 2016 (Bishoge, 2021). The nation's Auditor-General has presented results demonstrating flaws, rising dysfunctionality, and a negligible improvement in the number of clean audits as part of

coordinated efforts to remedy this decline. RSA (2014) opines that a clean audit in South Africa is one that does not reveal any significant discoveries and rests on the three pillars of financial reporting, performance outcomes, and compliance with laws and regulations.

It is important to consider the political reluctance to hire highly qualified senior managers when analysing the skills gap. This is due to the fact that they are less inclined than individuals who are subservient to their political principles—typically through cadre deployment—to carry out dubious instructions (Netshitendzhe, 1996). The term "cadre deployment" refers to the following: the appointment of government party loyalists to an institution with the intention of avoiding public accountability and placing the institution under the party's rather than the state's control (Bishoge, 2021).

Accordingly, it is impossible for the Department of Cooperative Governance and Traditional Affairs to solve the skills gap without taking into account how cadre deployment affects local government (Taal, 2020). In contrast to other branches of government and state-owned businesses, the executive mayor at the local government level is empowered to carry out the political mandate without the need for cadre deployment within the administration thanks to Section 56 of the Local Government Municipal Structures Act (RSA, 1998). Nonetheless, the African National Congress (ANC) is not the only organisation that uses cadre deployment. Examining the websites of prominent political parties, such as the Democratic Alliance and the Economic Freedom Fighters, reveals that while their cadre deployment plans differ from the ANC's, their recruitment strategies are comparable.

Powell et al. (2014) reported that, according to the Auditor-General's reports from the 2006/2007 to the 2011/2012 administration years, 100% of clean audits will take place in the 2022–2023 fiscal year. Powell calculated that, in light of the financial situation, South Africa ought to have received 60% clean audits in the 2016–17 fiscal year. In actuality, during the 2016–17 fiscal year, just 13% of the towns obtained clean audits. This implies that achieving the anticipated 100% success rate will require going well beyond the 2022–2023 fiscal year. The accomplishment of this elusive goal raises subsequent queries about contributing factors. The 2016–2017 Auditor-General's report identified three critical issues that must be fixed in order to reach the unattainable goal: The first step is to deal with the absence of consequence management, which results in noncompliance, which causes irregular expenditure (RSA, 2017). Every year, the pattern is repeated, leading to a rise in erratic spending and inadequate financial management.

2.5.1.3 The fiscal environment of South African local government

Unlike the national and provincial branches of government, local government is the only one that has its own source of income in order to fulfil its legally mandated functions. As a result, local government's economic (transactional) structure is more in line with state-owned businesses than it is with other governmental domains that have an administrative structure (Nutt & Backoff, 1992). Section 156 of the Constitution of the Republic of South Africa (RSA, 1996), Section 64 of the Mutual Funds Management Act (MFMA, 2003), and Chapter 9 of the Local Government Municipal Systems Act (RSA, 2000) are the sources of this transactional authority. A financially sustainable municipality is supported by the local government fiscal framework provided by National Treasury MFMA Circular 64 (RSA, 2012b). Maximising revenue collection while cutting expenses, inefficiencies, and uncollectible debt is how it seeks to strengthen municipal finances (Khalid & Yasmin, 2023). The circular provides towns with guidelines on how to strengthen their financial standing in order to build excess money or cash-backed reserves.

The Republic of South Africa's Constitution, Section 216, mandates good financial governance (RSA, 1996). By creating the Accounting Standards Board (ASB), Section 87 of the Public Finance Management Act (PFMA) (RSA, 1999) enacts this. As required by Section 216(a) of the Constitution of the Republic of South Africa, the ASB establishes standards and recommendations for financial statements. As a tool of sound financial governance, it comprises creating policies to guarantee openness by using Generally Recognised Accounting Practices (GRAP) in the three branches of government. A further tool for improving sound financial management is the In-Year Budgetary Monitoring method. Section 71 of the MFMA (RSA, 2003) mandates monthly reporting as the first step in this process. Section 52(d) addresses quarterly monitoring after that. Section 72 of the MFMA permits mid-year assessments (RSA, 2003). Budget adjustments are allowed at this time to handle reallocations and priority changes. Service delivery performance is reported on in both quarterly and mid-year reports. The three reporting sets give the National Treasury, COGTA, and municipal council a way to be monitored. The goal of proactive fiscal distress prevention through strong financial governance is to guarantee the financial sustainability of municipalities. A municipal government that is loose is more likely to pursue glitzy projects due to financial excess. The budget becomes chronically difficult to balance as the excess money run out.

As a result of these growing financial difficulties, the municipality is forced to make indiscriminate cuts to expenditures at the price of providing services. When there is complete chaos, the municipality must be put under administration since it cannot approve its budget.

When one's financial well-being is determined to be compromised, a solution is pursued. This is accomplished by simultaneously citing MFMA Circular 49 (RSA, 2009), Section 65(2)(f) of the MFMA (RSA 2003), and Section 139(5) of the Constitution of the Republic of South Africa (RSA 1996). According to MFMA Circular 71 (RSA, 2014), a municipality may be in serious violation of its responsibilities if it fails to make payments when they are due and the sum of those breaches exceeds 2% of its operational budget for that year.

A set of indicators is provided under Municipal Finance Management Act Circular 71 (RSA, 2014) for assessing a municipality's financial standing and identifying financial distress. The five unique ratios that make up the indicators are as follows: (1) total debt to revenue (not including grants); (2) debt service coverage; (3) debt to net cash; (4) cash flow interest coverage; and (5) liability management ratio. The annual State of Local Government report, which is a component of the financial viability evaluations conducted by the National Treasury and the Auditor-General, provides a descriptive analysis of these ratios.

2.5.2 Political decentralisation

According to Omari, Kaburi, and Sewe (2012), as cited in Derow & Muhindi 2021, decentralisation is the transfer of power and duties from larger sub organs to the central government. Decentralisation, particularly political decentralisation, Mangnejo and Rahpoto (2019) claimed, increases public service delivery. Decentralisation has recently been adopted by a large number of developing and developed countries with a variety of goals in mind, including improving public management, providing better public services on time, good governance, increasing accountability, and promoting a more stable economy and peaceful nation (Smoke, 2015).

Decentralisation has been identified by Smoke (2015) as the primary tactic that can enhance governance in both developed and poor countries. Pasichnyi, Kaneva, Ruban and Nepytyaliuk (2019) criticised unitary government systems for failing to provide citizens with effective services. According to Pasichnyi et al. (2019), devolving these responsibilities is the only option to improve the delivery of public services in the areas of education, water, health, and sanitation. The devolved units are better equipped than the central government to determine

what the populace wants. Different groups of people's needs may not be taken into account by the unitary system of governance. The unitary governance does not take into account the fact that various regions have varied requirements in terms of economic growth and cultural values.

2.5.2.1 Politics and politicisation

Politics is defined by Ndudula (2013), cited in Reddy (2016), as the aspirations for and, more significantly, the maintenance of power over citizens of a specific jurisdiction by certain people or groups of people. The term includes the authorised allocation of values in an effort to control or resolve conflicts within the concerned local communities. Through a locally defined procedure, the individuals or groupings will introduce policies and programs that will improve the standard of living for their citizens (Wagana & Iravo, 2017). Additionally, the procedure decides who will hold local leadership posts and how authority will be exerted within the municipal jurisdiction. In the context of local government, this is seen as the democratic and authoritative distribution of limited public resources across the municipal jurisdiction, and during this process, organised governments or groups have built political relationships with one another (Thornhill, 2020).

Reddy and Mohapatra (2017) citing Thornhill (2014), emphasises the significance of referring to politics as a fundamental and crucial process in the public sector because it encompasses not only party politics but also politics as a component of a broader decision-making process, i.e., questions about who gets what, when, and where in a local service delivery context. The allocation of resources, or who decides which powers and influences are to be taken into account, whether and how governmental authority is to be exercised, and the distribution of values within a specific state, region, or municipality, is ultimately determined by a conflict resolution process (Van der Waldt 2019). In any representational public organisation or body, the majority group actually determines political power and establishes relationships. It should be stressed in this context that power cannot be exerted by a single person and must be done so jointly. The council members and the executive branch of the council, which includes the mayor, speaker, deputy mayor, chairperson of the executive/standing committee, and members of the mayoral committee, practice politics in the local sphere of government (Auriacombe & Van der Waldt, 2020). Politics is the domain of politicians.

Thornhill (2020) note that while local politics or the political process may seem straightforward, it is actually quite complicated because it requires analysing the facts that are

at hand and doing so within a specific value framework that is determined by a political party or even an interest/pressure group in a specific jurisdiction. Thornhill (2020) contend further that local politics entails the attribution of values to factual information, judging the relative significance of requests for a given municipal service made by society at large or a particular segment, and determining the volume, calibre, or scope of services to be provided locally.

The Constitution of the Republic of South Africa of 1996 provides the legislative framework for the political administration of the nation, each province, each district/metropolitan area, and each municipal area. The political component, which at the local level is the council, is in charge of organising and directing the executive acts of representatives chosen to carry out its governmental duties. The council has supervision authority over the municipalities' administrative operations. Through the proportional representation system, Section 157 (2) has made room for party politics and, eventually, political direction in local government (Chigwata, de Visser & Ayele, 2021; Reddy 2016). Chigwata et al. (2021) argue that if rigid political beliefs from centralised institutions must be applied to practice at lower levels, the institutional integrity of a government level is compromised.

According to Pieters & Pierre (2004) cited in Reddy et al. (2020), defines 'politicisation' as the practice of using political criteria instead of merit-based ones when making decisions about hiring, promoting, rewarding, and disciplining service employees. The implication is that political factors have a significant role in the governance of the municipal service, whether it be in terms of hiring, firing, or even the provision of fundamental municipal services. As a result, in this setting, political decisions will be heavily influenced by the political philosophies of the party in power at any given time.

2.5.2.2 The dilemmas of local government politicisation

The efficient and effective operation of local government is hampered by the election or appointment of municipal employees who lack the necessary qualifications and are chosen or appointed based on political favouritism and nepotism (Wagana & Iravo, 2017). Nagar (2022) and Tshishonga (2019) both provide examples of what has happened with respect to top local government appointments over the years in this context. The majority of political favouritism has occurred in local government, with terrible results, especially for service delivery.

In spite of several interventions and tactics, a sizable number of municipalities provide enough evidence of the shortcomings of local government and the incapacity of the ruling party to bring about improvements (Reddy, 2016). Mkhathshwa-Ngwenya and Khumalo (2020) makes the observation that ‘faltering local government, graphically exposed to policy realisation deficits and multiple cases of overt corruption, mismanagement, and inappropriate appointments - often elicits popular disdain.’ She continues by saying that political reward, favouritism, and nepotism are some of the fundamental elements of local government politics, and that when these elements are proven to exist locally, local citizens frequently rebel. The recruitment of competent and qualified people as well as adherence to the laws, rules, and regulations, could help resolve this issue (Tshishonga, 2019).

The issue of whether there is enough political will to accomplish this still exists (see also Reddy, Sreedevi & Mohapatra, 2020). Thornhill (2020) claims that when municipal leaders are pressed on problems with service delivery, their go-to reaction in private is ‘look at the (poor) quality of the people I have around me.’ Who appointed these people is the next question he poses, and he concludes with a rhetorical statement that ‘to disown the appointments one had made, and the consequences thereof, is a manifestation of unaccountable leadership,’ which regrettably has been the root cause of South Africa's local government failure.

Municipal officials often mention ‘world-class cities,’ yet in practice, numerous issues persist (Reddy, 2016). Many traffic lights are non-functional, curb-side grass goes unmaintained, water pipes frequently break or leak, potholes are on the rise, phone calls go unanswered, and urban decay is widespread across municipal areas. This situation not only diminishes property values but also reduces potential revenue for the municipality (Derow & Muhindi, 2021). The long-term consequences of inaction and the detrimental effect it is anticipated to have on locally viable governance have not yet fully registered with municipal functionaries.

2.5.2.3 Political decentralisation and service delivery

According to Wagana and Iravo (2017), there is a significant correlation between political decentralisation and the provision of services. Sujarwoto (2017) conducted a survey of 8,320 households across 120 local governments in Indonesia to examine the relationship between political decentralisation and the quality of local public services. The study found that having strong local political institutions, more informed citizens, increased transparency, civic engagement through local programs, and the presence of social groups in the community are

all important factors in raising the quality of local public services. Bukharsky (2021) employ cross-section and panel data from developing and transitional nations for conducting their empirical research. Additionally, they found that fiscal decentralisation combined with strong national parties (a form of political centralisation) significantly increased the quality of government as measured by government efficiency, regulatory quality, corruption control, rule of law, and the provision of public goods (outcomes in health and education).

According to Kyriacou and Roca-Sagale's (2019), researched on Spain using a sample of 101 nations, political decentralisation has a detrimental influence on the relationship between fiscal decentralisation and government quality (corruption control, rule of law, regulatory quality, and government effectiveness). The researchers came to the conclusion that political decentralisation, including federalism and autonomy, bicameralism, and sub-national elections, tends to diminish the beneficial effects of fiscal decentralisation on the quality of government. They noted that the findings might be due to the existence of a regionally elected upper house with the authority to veto financial legislation passed by the lower house, which may be impeding improvements in governmental performance.

Wagana (2017) conducted a study on political decentralisation and service delivery based on the North West provincial government, which has twelve provincial departments and the legislature, in the setting of South Africa. The analysis demonstrated the absence of a strong public bureaucracy that blatantly carries out governmental policies. As a result, they help prevent any kind of political power abuse by holding politicians accountable. The study also discovered that the absence of political structures contributed to judgment calls that, in turn, led to poor governance and service delivery. Additionally, Kuenzi and Lambricht (2019) discovered that political politics compromise Kampala service delivery in a number of ways. These include funding, taxation, and even overt meddling with the city council's decisions and policies. More significantly, over a ten-year period (1998–2008), Nir and Kafle (2013) examined the effects of political stability on educational quality using a sample of 47 nations, 26 of which were politically stable and 21 of which were unstable.

The study found that, when used as a standalone predictor or when combined with GDP per capita in the analysis, political stability significantly contributes to explaining the survival rate in schooling. Tehseen (2021) looked at how the political party system in Pakistan affected the incentives for politicians to prioritise patronage over better service delivery. According to the

study, voters' difficulties in determining who to credit (or blame) for service delivery gains (or deteriorations) are made worse by factionalism and fragmentation, which incentivises politicians to concentrate on specific benefits. Politicians once more support the supply of tailored benefits since polarisation, especially ethnic polarisation, makes it harder for groups to agree on the provision of public goods (Wagana & Iravo, 2017).

In a related study, Ndudula (2013) found that the public sector is overly politicised, that politicians and administrators are interfering in one another's personal lives and vice versa, and that the deployment of cadre has unfavourable outcomes that are harming service delivery. Wainaina, Iravo and Wanjala (2022) demonstrated that political decentralisation can be utilised as a tool to support the delivery of services in the same setting. Decentralisation is also demonstrated to have had a major impact on the provision of services in the 10 local governments that were the subject of the study. Most importantly, a study in Europe by Diaz-Serrano & Rodriguez-Pose (2014) that examined the opinions of 160,000 people in 31 European countries discovered that political decentralisation has varying effects on citizens' satisfaction with the delivery of education and healthcare.

The ability of the local or regional government to exercise control over its population (self-rule) or to have an impact on national policy (shared-rule), however, is a key factor in determining the influence of political decentralisation. In a similar vein, Kumar and Prakash (2017) conducted research in India to examine the effects of political decentralisation and gender quotas in local governance on several metrics of health outcomes and behaviours. A safe delivery, institutional births, and births in public health institutions are all favourably correlated with political decentralisation, according to the study.

The majority of earlier empirical studies on political decentralisation and service provision were carried out in developed or developing nations in Asia and Latin America (Diaz-Serrano & Rodriguez-Pose, 2015; Kyriacou & Roca-Sagale's, 2019; Sujarwoto, 2017). The evidence about the effects of decentralisation on service delivery in Sub-Saharan Africa has been the subject of a very small body of work that makes systematic examinations of the data. The lack of studies in this field in Africa raises the question of whether political decentralisation affects service delivery in Africa. Due to the differing cultural and political background, empirical results from industrialised nations may not be extrapolated to emerging nations.

Wagana and Iravo (2017) further concluded that there is an imbalance in the amount of attention given to studies on decentralisation and service delivery. Most studies that measure the delivery of services tend to focus on service accessibility while ignoring other aspects of service delivery including customer satisfaction and service quality (Kosec & Mogues, 2020; Letelier-Saavedra & Sáez-Lozano, 2015; Sujarwoto, 2017). The validity of the relationship between political decentralisation and service provision needs to be questioned.

Theoretical research on how political decentralisation affects service delivery is conflicted, offering both pro and con justifications. Additionally, there is less empirical research and less agreement on how political decentralisation affects service delivery. The evidence from earlier studies on the effect of political decentralisation on service delivery is conflicting and inconclusive. Political decentralisation results in better service delivery, according to a cross-section of extant studies (Kumar & Prakash, 2017; Saavedra, 2010; Sujarwoto, 2017). Other research, however, has shown that political decentralisation has a negative impact on the effectiveness of governance (Kyriacou and Roca-Sagale's, 2019). Furthermore, Tehseen (2021) revealed in a similar study that weaker service delivery results from party systems that are more fractured, factionalised, and polarised. There is a need for additional empirical research on the connection between decentralisation and service delivery, as suggested by the fact that the evidence is inconclusive.

Derow and Muhindi (2021) assert that decentralisation lowers corruption, encourages accountability, and makes sure that services are provided to the public for the least amount of money possible. This is accomplished by eliminating conflicts between elected officials, government employees, and residents, and by streamlining bureaucratic procedures in public offices. The central government also places severe budgetary restrictions on devolved entities, forcing them to reduce the cost of providing public services (Wagana & Iravo, 2017). Devolved governments may readily overcome information asymmetry in addition to minimising bureaucracy, allowing them to tailor public services and policies to the preferences and requirements of the populace. According to Sujarwoto (2017), decentralisation promotes the effective delivery of public services and is also a crucial element for greater economic growth.

2.5.2.4 Political competition and service delivery in South Africa

According to Mngomezulu (2020), it will be very challenging for South Africa to overcome these gaps because the nation is coming from a position of inequality and discrepancy in service

delivery. To improve service delivery generally, it is crucial that the results of the numerous research that have been conducted in this area be assessed in turn. However, de Visser and Chigwata (2022) contends that while quality standards used to manage service delivery in local government may seem appropriate for service organisations as a whole, they may not always adhere to the standards for quality in the delivery of public services. This is true because the provision of public services is a process that is founded on widely accepted moral and formative principles as well as other established rules (Derow & Muhindi, 2021).

In the end, those values—those that have to do with what is deemed to be valuable in society—cannot be separated from quality in local government. These ideals offer a morally acceptable framework for choosing and assessing public service procedures and results, which may ingrain the conventionally market-oriented idea of a quality culture in service provision. Ubisi, Khumalo and Nealer (2019) opine that the ANC government had to address historical imbalances by transforming a racially and ethnically divided and unequal public service delivery system into one that could satisfy the needs of a newly franchised citizenry for economic, social, and political development.

As a result, opportunities for social development and expanded delivery were often constrained by the National Party (NP) government's legacy of widespread poor budgetary and financial management, a massive backlog in basic services and infrastructure, racial and regional disparities in provision, and occasionally tense social relationships. Sokopo, Masango and Mfene (2021) asserts that prior to the establishment of a democratic government in South Africa, apartheid prevented effective public participation in policy development and execution across the three branches of government. As a result, the majority of black South Africans were not given the chance to participate in the formulation and implementation of policies that directly impacted their involvement.

Sokopo et al. (2021) makes the case that the regular demonstrations against local government service delivery in South Africa closely reflect the incidents that took place in numerous townships throughout the 1980s. At that time, the African majority who had been denied voting rights demonstrated against the NP government's unequal service delivery. The protests against poor service delivery that have occurred in South Africa after the ANC took power are sometimes compared to the riots that took place during the apartheid era. However, Amin-

Smith, Phillips and Simpson (2018) contends that such an analysis oversimplifies the nation's political processes.

The dream of local democracy was damaged when the ANC was in power by the gap between expectations and actual abilities, competence, and commitment. Intriguingly, the protests revealed parallel unhappiness with the effectiveness and scope of service provision as well as the channels for public advocacy of community concerns Mkhathswa-Ngwenya and Khumalo (2020). Auriacombe and Van der Waldt (2020) assert that South Africa's politics of service delivery are both top-down and bottom-up. The government establishes budgets, interprets directives, and decides on policy frameworks and implementation methods from top-down views. Bottom-up viewpoints shed light on the difficulties faced by regular people in receiving services. As a result, those who get services find it difficult to have their opinions heard in the power corridors that go from small local governments to provincial premiers.

Political nominations to top executive management roles in South Africa, compromised services and suggested that it was doubtful that the current levels of technical expertise would be sustained (Koelble & Siddle, 2018). The appointment of individuals lacking the necessary knowledge affected service delivery in some way. According to Gumede (2019), one issue in South Africa is that political ties are still frequently used to fill important positions in the civil service. The fact that only they can be politically trusted is another reason it looks that the same senior public workers move from one top position to another.

2.5.2.5 Impact of political involvement in recruitment

According to Ngcamu (2019), the majority of municipal employees are allegedly politically assigned without adhering to the policies and procedures for recruiting and selection. On the contrary, poor succession planning and sudden changes in municipal leadership were described by Masegare and Ngoepe (2018). According to Sokopo et al. (2021), there are significant difficulties in providing municipal services due to a lack of critical and scarce skills like technical competence. This finding is consistent with Kalonda and Govender's (2021) findings that a lack of qualified staff is a factor in the insufficient provision of water and the poor maintenance of road infrastructure. Municipalities exhibit administrative incompetence, especially in crucial areas like finance, technical services, and administration (Masegare & Ngoepe, 2018). Masegare and Ngoepe (2018) suggest that this is a result of the shrinking professional workforce in municipalities and the weak connections between higher education

and local government. Van Niekerk and Dalton-Brits (2016) assert that political leadership lacks the motivation to exercise effective leadership to direct and guide performance management and development, and the 2013 report on Audit Outcomes on Local Government supports this assertion.

According to Kosec and Mogues (2020), skilled professionals who are not affiliated with political parties that have monopolised civil service jobs for patronage are not given consideration for employment in municipalities. This assertion is supported by Kalonda and Govender (2021), who claimed that the same unskilled staff 'lack knowledge of local governance to serve the public.' According to Kalonda and Govender (2021), the recruitment of specialists at the local government level would have a good influence; however, the propensity to nominate people with political connections detracts from the competence needed in municipalities. Municipalities struggle to recruit and retain technically talented workers because human resources systems use poor recruitment tactics, often to advance political deployment (Kalonda & Govender, 2021).

2.5.3 Administrative decentralisation

According to Engdaw (2022), administrative decentralisation is the transfer of significant duties and responsibilities from the top levels of government to the lower ones. This might be shown by improving the duties and responsibilities of the department's lower level of government, which is still a part of the central government. Alternately, it might have entailed assigning duties to various territory administrations. Karama (2022) adds the concept of authority distribution inside an organisation to his definition of administrative decentralisation. Hossain and Habib (2021) defines it as the transfer of authority for making decisions from higher to lower levels of a bureaucracy. Administrative decentralisation entails giving decision-making authority over public policy and the provision of public services to lower tiers of government. Aoki and Schroeder (2014) suggest that administrative decentralisation includes not only giving local governments autonomy over tasks like planning, organising, and monitoring the provision of services but also the de-concentration of a central government's decision-making autonomy to its branches.

Hossain and Habib (2021) has described administrative decentralisation as a way to shift power, responsibility, and resources among different tiers of the government in order to deliver public services. Therefore, administrative decentralisation is the flood of planning, funding,

and managerial responsibilities from the central government and its agencies to the lower tier of government agencies to carry out specific public activities. According to Sumah and Baatiema (2019), administrative decentralisation can be defined as the de-concentration of powers, functions, and authorities from higher to lower levels of government within the line of bureaucracies, the delegation of powers to essentially independent bodies, or the transfer of duties to independent local governments.

Derow and Muhindi (2021) argued that one of the most challenging duties in the public sector is providing quality service. This has led to governments having a variety of policy tools designed to increase the efficacy, efficiency, and standard of public services. Decentralisation is among the most crucial methods that have been employed to raise the calibre of public service delivery. Decentralisation is the process by which the central government transfers power, resources, and duties to intermediary and local governments (Besfat, 2018). Political, financial, and administrative decentralisation are the three facets of decentralisation (Dick-Sagoe, 2020). Administrative decentralisation is the transfer of decision-making authority from upper to lower levels of a bureaucracy. The organisational form of local governments, which is adapted within the administrative parts, has something to do with administrative decentralisation (Dick-Sagoe, 2020).

Figure 2.3 below illustrates the mapping development partner activities in a manner similar to the primary assessment matrix:

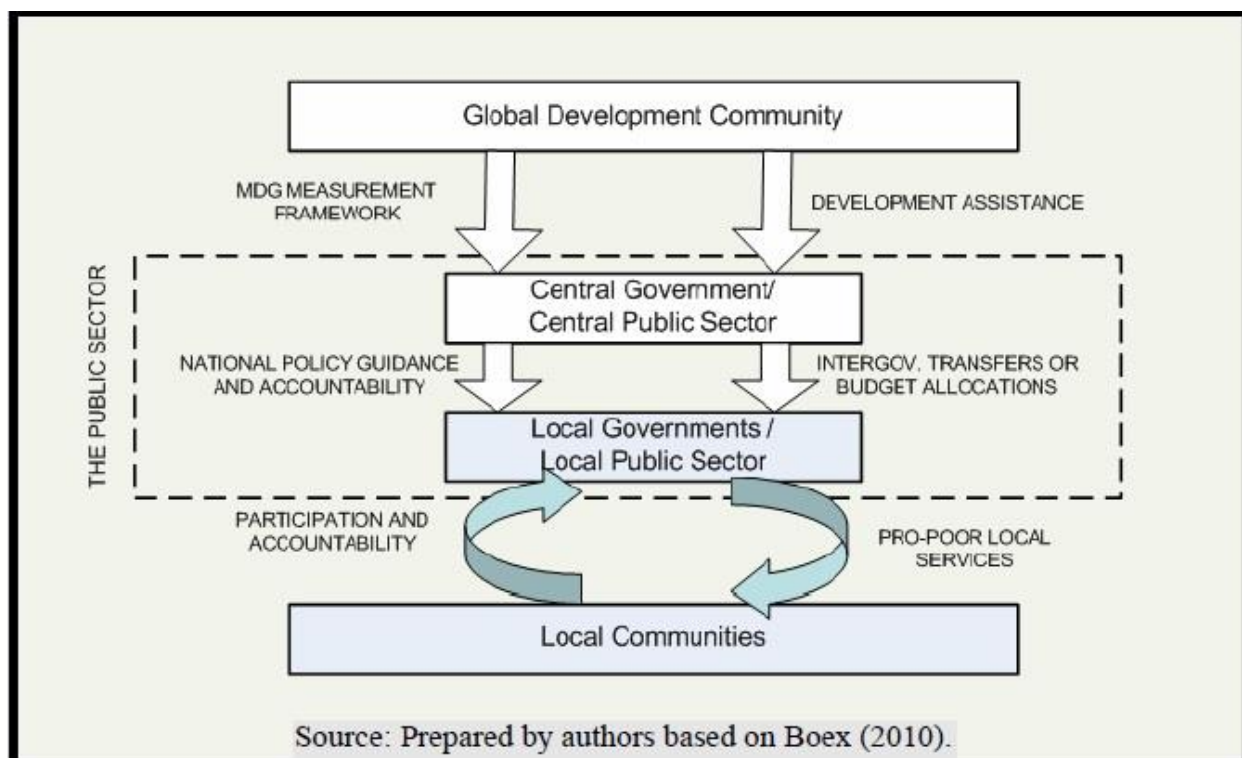


Figure 2.3: Development partner activities mapping (Boex & Yilmaz, 2010:6).

According to Boex and Yilmaz (2010), a suggested approach involves mapping the activities of development partners in a manner similar to the primary assessment matrix. Figure 2.3 above illustrated the framework. This entails categorising donor activities based on the technical dimension of the public sector and the government level involved in each project or activity. Such mapping offers a visual representation to identify whether these activities are disproportionately focused on specific aspects of decentralised local governance or if there is redundancy among development partner projects. The framework underscores that the pursuit of reforms in decentralised local governance should not be regarded as a narrow specialty within governance programs or public sector reforms. Recognising the pivotal role of the local public sector and the potential of the global development community is essential for gaining a deeper understanding and enhancing the effectiveness of the public sector, thus playing a critical role in advancing the global development agenda.

Only changes inside the bureaucracy have been considered crucial in circumstances where administrative decentralisation has been used. Derow and Muhindi (2021) posit that the administrative decentralisation is sensible and results in the delivery of high-quality public services. According to Karama (2022), devolving authority from the federal government to local governments in the districts is necessary to improve service delivery. According to

academics, the lowest tier of government ought to have sufficient authority to operate independently within its sphere of influence. In order for the lower level of government to provide the public with services that are within its purview, it should have been effectively devolved decision-making authority. The ability to match public services to customer perceptions and expectations gives local governments a significant competitive edge (Karama, 2022). Yilmaz et al. (2008) have created a very clear knowledge of what discretionary powers local government should be familiar with in administrative arenas.

Engdaw (2022) suggests the three most crucial discretionary powers that should be granted to local governments as those related to legislation or regulation, procurement, and human resource management. Local governments have a basic set of powers and capabilities to introduce regulatory laws on matters impacting their jurisdiction thanks to legislative or regulatory discretion. Engdaw (2022) opine that they must have the power to approve and issue generally binding ordinances on public problems falling under their purview, subjected to both federal and state laws.

Local governments now have expanded mandates and duties for new services as a result of procurement discretion. This enables local governments to exercise control over the purchasing of products and services, including leases, joint ventures, contracts for operation or management, and discounts (Karama, 2022). Derow and Muhindi (2021) suggest that this necessitates flexibility in the laws and rules governing procurement as well as superior personnel who are well-versed in public procurement, ethics, and contract administration. The third administrative discretionary authority that local governments need to be given is the power to manage human resources. According to Shimengah (2018), local governments have the authority and discretion over civil service and employment policies, which should ideally include pay policy discretion, budget, budget transparency, and establishment control, career management control, recruitment autonomy, and performance management.

In order to produce high-quality public services, the local government must have devolved administrative power and effectively developed local accountability mechanisms (Dick-Sagoe, 2020). Various studies have attempted to illustrate the link between administrative decentralisation and the provision of high-quality public services. Wagana and Iravo (2017) conducted research on the interaction between administrative decentralisation and service provision in Kenyan county governments, with e-government serving as a mediator. According

to the study's findings, administrative decentralisation and service delivery have a strong favourable association. Additionally, Engdaw (2022) concludes that administrative decentralisation has been shown to improve service access. According to Goel and Saunoris (2017), administrative decentralisation enhances citizens' perceptions of government performance. Lameck (2017) has also demonstrated the beneficial benefits of decentralisation on the standard of governance and service provision. This research thus made the case that efficient administrative decentralisation can raise the standard of service delivery.

2.5.3.1 Forms of administrative decentralisation

Engdaw (2022) propose three basic types of administrative decentralisation, each have unique characteristics. The following is a discussion of the many administrative decentralisation methods.

2.5.3.1.1 De-concentration

Deconcentration refers to the transfer of duties from capital city-based central government agencies to regional offices (Mngomezulu, 2020). According to Rondinelli (1981), deconcentration refers to local administrations when all lower levels of government within a nation act as representatives of the central authority by being selected by or directly answerable to the central government. This kind of administrative decentralisation is the least extensive. In the central government, it is used to distribute decision-making power, financial responsibility, and managerial duties among various levels of government (Engdaw, 2022). The least effective form of decentralisation in administrative terms is this type. It refers to the redistributing of duties across departments, or from the field to the local government (Shimengah, 2018). According to Dick-Sagoe (2020), governments cannot hire or fire employees under this type of administrative decentralisation, determine salaries, or alter the organisation of the network of service facilities. Local governments in charge of services only need to strictly supervise and oversee daily activities on behalf of the higher tier of government.

2.5.3.1.2 Delegation

The second type of administrative decentralisation is delegation. Delegation is the act of transferring administrative and decision-making power, as well as ownership of precisely defined duties, to institutions and groups that are either autonomous or indirectly controlled by the central government (Engdaw, 2022). The central ministries typically delegate tasks to semi-autonomous bodies that aren't fully under their control but are still held legally responsible for

them, like state-owned businesses, public utilities, and regional planning and economic development authorities (Shimengah, 2018). It is a more comprehensive type of decentralisation. It entails giving quasi-autonomous institutions that are partially ruled by the central government but ultimately accountable for its control over decision-making and the administration of public functions.

The government assigns duties in accordance when it establishes public enterprises or cooperatives, transportation authorities, special service districts, regional development corporations or special project implementation units, housing authorities, or semi-autonomous school districts (Dick-Sagoe, 2020). These companies frequently exercise the greatest degree of discretion when making judgments. For instance, many developing nations use similar techniques when establishing firms, authorities, boards, or other independent organisations to carry out particular tasks (Goel & Saunoris, 2017).

2.5.3.1.3 Devolution

Engdaw (2022) suggests the third type of administrative decentralisation as devolution. The author also noted that the most extreme form of decentralisation, referred to as devolution, involves assigning a range of public service delivery responsibilities to independently established subnational governments. These governments are also granted the authority to impose taxes and fees to finance these services. Subnational governments have the autonomy to raise their own funds and make investment decisions in a devolved system. Decentralisation of authority on political fronts is based on the devolution of administrative power. Locally elected bodies' ability to enact laws and generate revenue is included in devolution as the redistribution of important powers (Lameck, 2017).

Devolution is understood as allowing local government full autonomy, which includes the transfer of duties related to policymaking and service delivery, as well as the authority to make decisions and the capacity to gather funds and other resources to provide services. According to Ain et al. (2020), devolution entails giving municipalities the duty, power, and funding to deliver public services as well as the ability to create and carry out local policies. Devolution can be understood as a significant transfer of authority, duties, and tasks to the autonomous level of an organisation.

Mngomezulu (2020) opines that devolution is typically associated with fiscal decentralisation, where subnational governments have distinct budgetary responsibilities, significant budgetary freedom, and legally defined geographic boundaries within which they carry out their activities. The concept of fiscal decentralisation as a whole encompasses the political, economic, and institutional foundations of intergovernmental fiscal relations, despite the fact that there are numerous types of fiscal decentralisation that reflect the degree of independent decision-making at the subnational level (Dick-Sagoe, 2020). According to Lin & Zhou (2021), this idea encompasses everything from determining the effectiveness of public institutions and generating sustainable infrastructure financing to streamlining fiscal transfer mechanisms and bolstering the social safety net.

2.5.3.2 Measures of administrative decentralisation

On how to implement administrative decentralisation, academics have not reached consensus. Different metrics have been adopted by academics to assess administrative decentralisation. Ivanyna & Shah, for instance, who were quoted by Goel and Saunoris (2017), have created an administrative decentralisation index. Indicators for the index include local government authority over recruiting, firing, and other municipal employees connected to human resource policy. Indicators of local government discretion over employment and determining the terms of that employment are included in the index's construction, as well as local government's percentage of the total public sector workforce.

Bossert (2014:118) gave an illustration of a sector-specific strategy and introduced the concept of 'decision space,' which he defined as 'the range of effective choice that is allowed by the central authorities (the principal) to be utilised by local authorities (the agents),' and which can be explained in terms of the 'various functions and activities over which local authorities will have increased choice.' Functional indicators such as those related to finance, service organisation, human resources, access regulations, governance regulations, and the level of discretion enjoyed by local officials have been included, with the range of these indicators being narrow, moderate, and high.

Yilmaz et al. (2008) offer the additional indications. These indications have often included the ability to enact or modify regulations, manage human resources, and make purchases. These indicators have been used in the current paper to gauge the degree of administrative decentralisation in the research area. The researcher felt that these indicators are clearly

defined, detailed, and comprehensive to gauge administrative decentralisation, which is why the study recommended them. The researcher may have discovered that the administrative decentralisation strategies proposed by Yilmaz et al. (2008) could aid in achieving the paper's goal.

2.5.3.2.1 Legislative and regulatory discretion

As part of administrative autonomy, local governments require a minimum set of powers and capabilities to propose regulatory legislation on matters falling under their purview (Engdaw, 2022). They require the ability to pass and issue generally binding ordinances on public issues falling under their purview, subject to federal and state law. In a clearly defined administrative decentralisation system, the local government's regulatory authority frequently extends to cover zoning and public safety, environmental protection, social protection, local economic growth, and social protection (Güzel & Yılmaz, 2018).

According to the hypothesis, local governments are better at identifying and aggregating constituent preferences than regional or central governments, which increases the efficiency of allocative allocation (World Bank, 2017). Only when there is a legal avenue to contest local government decisions can the enforcement of local administrative regulations be effective and legitimate.

2.5.3.2.2 Human resource management discretion

According to Sumah and Baatiema (2019), human resource management is a procedure for staffing the company and maintaining excellent employee performance. The second crucial factor for assessing administrative decentralisation is human resource management. The local government has gained new momentum in its efforts to remodel the public personnel body (civil service), hand in hand with the reorganisation of the architecture of the central state (Kodom et al., 2019). By coordinating popular preferences with actions and decisions made by the public sector, human resources play a key role in bringing the public closer to the government.

Budget transparency, autonomy in pay policy, budget and establishment control, career management control, recruitment autonomy, and performance management are ideal areas of local government discretion over human resources and employment policies (Engdaw, 2022). Due to their ability to pay personnel from their budgets, control over staffing levels and the

skill mix, as well as their ability to provide sufficient incentives for their employees as well as opportunities and flexibility for career growth and performance results, local governments have greater administrative autonomy. Each of these elements boosts the local government's administrative authority (Güzel & Yılmaz, 2018).

2.5.3.2.3 Procurement management discretion

According to Engdaw (2022), the third criteria used to assess administrative decentralisation is the administration of procurement. The entire process of acquiring products and services is known as procurement, and it begins with the determination of needs and the creation of the procurement plan and the procurement method (Goel & Saunoris, 2017). It involves risk assessment, solution identification and evaluation, contract award and administration, receipt of purchased goods or services, and payment settlement (Ochieng & Njuguna, 2018). A component of the government's actions to acquire the commodities and services required to carry out its functions is public procurement. Identification of procurement needs, procurement planning, bid processes, awarding of contracts, and contract administration are the stages of public procurement processes (Damte, (2018).

The local government must have freedom in how it purchases products and services. Local government contracts can take on a variety of shapes, such as service or management agreements, lease concessions, joint ventures, and full or partial ownership. Engdaw (2022) propose that the procurement process should include identifying the goods and services that need to be purchased, designing the contract, selecting the supplier, assessing the technical and financial qualifications of the bidders, controlling the bid process, ending the bid process, and managing the contract. Local governments should be given discretion during each of these phases in a system of administrative decentralisation that is clearly established. Giving precise instructions on the functions of the various governmental agencies and levels is crucial throughout the entire procurement process.

2.5.3.3 Administrative functions

The management of procurement procedures and the creation of a framework for public procurement are two significant goals that are addressed by public administrative activities. Public administration is considered as a complicated activity with six generic processes that make up the team: policy, organisation, finance, personnel, procedures, and control. Any institutionalised frame of reference, including municipal, provincial, national, and international

government and administration, uses these processes on a regular basis (Huda, 2022). The administrative procedures that apply in the procurement environment will be examined in the section that follows. Policymaking, control, finance, organising, work techniques and procedures, personnel, organisation, and managerial functions are some of the key administrative processes in this study.

2.5.3.3.1 Planning

Mazibuko (2018) argues that planning, one of the fundamental management functions, plays a pivotal role in guiding organisations toward their objectives. Within planning, three primary types of plans exist: operational, tactical, and strategic. Goodnow (2017) assert that public procurement, driven by the demand for enhanced control over public spending and more efficient acquisition processes, has emerged as a crucial function within public management. Strategic planning sessions in national departments identify strategic goals aligned with their mandates and policy priorities. Planning is closely intertwined with decision-making, a pervasive managerial activity that permeates various aspects of organisational functioning (Denhardt & Denhardt, 2015). Effective planning entails adopting a long-term perspective to facilitate the resolution of short-term trade-offs involving goods, services, and projects. The achievement of numerous government outcomes hinges on coordinated efforts across various departments and public entities through collaborative initiatives, programs, projects, and services (RSA: Presidency, 2009b).

The Executive Authority (EA) is responsible for identifying government priority areas and the corresponding departmental responsibilities. In this context, top management officials from departments participate in strategic planning sessions. These sessions prioritise alignment with the National Development Plan (NDP), the Medium-Term Strategic Framework, Ministerial Delivery Agreements, and the department's unique approach (RSA: DTA, 2018h). The EA then assigns or delegates responsibility for achieving departmental goals to the Accounting Officer through a performance agreement.

The Accounting Officer is entrusted with formulating the department's medium-term strategic priorities, which are translated into annual operational or business plans. They are also accountable for ensuring that specific components fulfil their roles as outlined in the department's strategic and business plans. Branch Managers and other senior managers, under delegation, develop business plans for their respective branches or components based on

departmental objectives. They are also tasked with determining Key Result Areas (KRAs) for Component Managers, aligned with branch objectives, and overseeing Component Managers' performance agreements. Component Managers, in turn, are responsible for defining component objectives, establishing business plans that specify objectives, outputs, targets, staff assignments, and budget allocations (RSA: DTA, 2018h).

Within government, strategic planning documents encompass Programs and sub-Programs and allocate resources according to program budgets. Expenditure is categorised using economic indicators, and specific budget allocations for goods and services are delineated in the Medium-Term Expenditure Framework (MTEF). Operational plans, often crafted by frontline or low-level managers, occupy the base of the planning hierarchy. The core of the management process revolves around directing and coordinating programs and projects, underscoring the significance of leadership integrity. This approach is vital for fostering good governance, trust in public institutions, and performance evaluation for programs and sub-programs. Performance assessment for each quarter gauges the total number of targets achieved, partially achieved, or unmet, with reports detailing actual performance and reasons for deviations (Čudanov, Jovanović & Jaško, 2018). Coordinating and overseeing the institutional administration of procurement practices and activities emerge as central managerial functions. Effectively and efficiently directing public procurement ensures optimal resource allocation for government programs, staff planning and deployment, the utilisation of skilled professionals, and the implementation of efficient work methodologies in public procurement organisations.

2.5.3.3.2 Organising

Efficient organisation is pivotal in the realm of procurement, encompassing the classification, grouping, and allocation of functions within institutions to workers. This systematic arrangement is essential to ensure that the activities of workers are directed towards predetermined objectives while upholding accountability and value addition within the procurement function's organisational structure (Huda, 2022). To effectively operate the public procurement system at all administrative levels, a set of functions must be performed nationally, provincially, and locally (Denhardt & Denhardt, 2015).

In South Africa, the prevailing institutional arrangement, in line with the Public Finance Management Act (PFMA) of 2003, leans towards a decentralised financial management

structure. Here, core financial management functions are delegated to the accounting officer/authority of each state organ (Quinot, 2023). The PFMA endows the National Treasury with comprehensive oversight functions and powers, extending to the realm of public procurement. The administration of procurement practices also relies on various oversight bodies, including the National Prosecuting Authority (NPA), Public Protector (PP), Directorate for Priority Crime Investigation (DPCI), Asset Forfeiture Unit, Special Investigating Unit (SIU), Financial Intelligence Centre (FIC), Independent Police Investigative Directorate (IPID), Auditor-General of South Africa (AGSA), and others (RSA: National Treasury, 2015d).

However, it's worth noting that governance structures in the South African procurement landscape may require enhancements, as compared to other countries where advisory bodies, procurement committees, Center-Led Action Network (CLAN), and Matrix structures contribute to the procurement environment. Depending on the specific circumstances, organisations may opt for CLAN or Matrix models to efficiently manage branches or divisions that may be geographically dispersed (Bulgrin, 2020).

2.5.3.3.3 Controlling

Controlling in the context of management, entails comparing actual performance against expected performance and taking corrective measures when necessary (Mazibuko, 2018). Its primary objective is to ensure that real-world outcomes align with established plans, offering managers the means to assess the efficacy of their planning, organising, and directing efforts. Huda (2022) suggests that the initial step in comprehending the strengths and weaknesses of any system involves measuring performance as a control mechanism and initiating remedial actions. In the realm of procurement, performance evaluation encompasses diverse aspects, including the efficiency of procurement processes, the transparency and openness of these processes, the professionalism exhibited by the procurement workforce, and the management of contracts and supply performance. Robust policies and procedures play a pivotal role in enhancing procurement process effectiveness (Denhardt & Denhardt, 2015).

Mazibuko (2018) posits that controlling is a fundamental function in procurement, plays a critical role in all phases of the procurement process, including retendering, tendering, and post-tendering. These phases are particularly susceptible to unethical procurement practices, necessitating rigorous accountability across all public institutions (Thornhill, 2020). Effective

control measures ensure that administrative and functional functions are executed both effectively and efficiently to realise predefined objectives (Du Toit, 2005). Public-sector management has the choice of relying on internal self-control, where individuals regulate their own conduct, or external control mechanisms provided by entities such as the Office of the Auditor-General of South Africa (AGSA) and the Department of Public Service and Administration (DPSA). These external controls pertain to performance appraisal systems, compensation and benefit structures, employee discipline procedures, and supply chain management compliance.

Furthermore, effective procurement administration necessitates the implementation of organisational control systems encompassing management processes, objectives and strategies, policies and procedures, workforce selection and training, performance assessment, job design, performance modelling, norms, and organisational culture. Monitoring the performance of procurement systems furnishes public-sector procurement managers with the insights needed to assess the effectiveness of procurement practices. Ethical conduct within the workplace, including procurement of goods and services, is guided by various codes of conduct in the public sector, such as public service regulations and the Public Service Integrity Management Framework's section on the Code of Conduct for Supply Chain Management (Bulgrin, 2020), although their impact may not always align with expectations.

2.5.3.3.4 Financing

The South African government allocates a substantial annual budget, estimated at around R500 billion, for expenditures related to goods, services, and infrastructure development (RSA: National Treasury, 2018). Within the South African public sector, national departments undertake comprehensive planning, strategising, and action implementation to realise long-term goals and budget objectives. This process of financial planning involves identifying overarching objectives, devising the necessary strategies, and outlining the actions needed to achieve them. At a high level, strategic plans set the course for national departments and align with the Medium-Term Expenditure Framework (MTEF), which helps prioritise spending on programs and projects that align with government policy objectives, including those outlined in the National Development Plan and the Medium-Term Strategic Framework (MTSF). The budgeting process is structured to incorporate principles of function budgeting, constitutionally mandated intergovernmental fiscal relations, and a comprehensive approach to public finance (RSA: National Treasury, 2018).

The publication of the Estimates of National Expenditure (ENE) serves as a valuable resource for understanding budget resource allocation, past budget utilisation by institutions, and future budget allocation plans over the Medium-Term Expenditure Framework (MTEF) period. These publications also include key performance indicators for each national government vote and entity, outlining their intended outcomes and expenditures aligned with government objectives defined in the Medium-Term Strategic Framework (RSA: National Treasury, 2015f).

The budget process unfolds across three main phases: preparation, extensive bilateral engagements, and finalisation of budget allocations and budget preparation. Throughout this process, National Treasury evaluates submissions from national departments, particularly for large infrastructure projects and programs requiring budget allocations. These initiatives pass through distinct stages from conceptualisation to completion. While strategic plans guide the way, annual performance plans specify performance indicators and targets for the upcoming budget year. However, the demand for procurement planning, which occurs independently, often falls outside the strategic and annual performance planning stages, creating a disconnect from the five-year budget Medium-Term Expenditure Framework (MTEF) (RSA: National Treasury, 2018).

2.5.3.3.5 Policy making

In the realm of public procurement, the policy dimension and the associated processes are of utmost importance within the framework of South African public administration. Section 217(1) of the South African Constitution delineates the governance of procurement in the public sector. It mandates that organs of state at national, provincial, or local levels, as well as institutions specified in national legislation, must conduct their contracting for goods and services in a manner that adheres to principles of fairness, equity, transparency, competition, and cost-effectiveness. Additionally, national legislation provides a structured framework for the implementation of procurement policies, including preferences in contract allocation and measures to uplift historically disadvantaged individuals.

The Public Finance Management Act of 1999 (Act 1 of 1999) was established to align with the Constitution and ensures transparency, accountability, and prudent management of public finances within institutions. Furthermore, the Preferential Procurement Policy Framework Act (PPPFA) of 2000 (Act 5 of 2000) was amended to align with the socio-economic objectives outlined in the Constitution, specifically regarding Broad-Based Black Economic

Empowerment (B-BBEE). Under this framework, government tenders are awarded based on a prescribed points system, prioritising historically disadvantaged individuals and locally sourced materials. Companies seeking government tenders are required to adhere to B-BBEE compliance and submit a certificate indicating their BEE score, influenced by the scorecard set out in the Code of Good Practice. This scorecard helps standardise the selection process and ensures that B-BBEE objectives are supported, regardless of the beneficiary.

The Minister of Finance has issued regulations in accordance with the PPPFA, addressing various aspects such as preference points, tender evaluation, tender awards, and penalties. These regulations provide a clear and objective measure for evaluating tenders, reducing subjectivity in the selection process. Fourie (2015) asserts that policy decision-making is a critical aspect of directing procurement practices in the South African public sector, serving as a framework to achieve desired changes in the interest of the populace. It is essential for ensuring consistency, ethical culture, and integrity in the procurement environment. Policy formulation involves identifying and analysing actions that address relevant concerns (Denhardt & Denhardt, 2015). In essence, policy sets forth an intent to undertake specific actions in a prescribed manner. Public service managers must recognise the significance of these policies in the administration of procurement practices, adhering to the established principles and frameworks throughout the procurement lifecycle.

2.5.4 Citizen Participation

Trust in government is greatly influenced by how citizens and the state interact. Governments are increasingly interacting with individuals to assure quality, timeliness, and ultimately trust in public services as a result of severe financial limitations and rising expectations (Mishra & Attri, 2020). Through their involvement in the review process, or indirectly by enhancing citizens' impressions of government performance, people's faith in government can be increased (Kim & Lee, 2019). The relationship between macro and micro performance is examined by the performance theory of public trust. The former addresses the calibre, or perception of, the delivery of government services, and the latter addresses the macroeconomic environment, including the rate of inflation, unemployment, and economic growth (Twinomujuni, Mawa, Musoke & Rukanyangira, 2022).

Kim and Lee (2019:323) concentrated on the effectiveness of nations' 'governance' and how it affected 'economic growth'. In a broader sense, the effectiveness of public service delivery and

governance can influence economic growth through its effects on human capital, poverty, inequality, and corruption, which in turn affects individuals' perceptions of and trust in their governments. But in the era of private investment, 'governance'—a term coined by economists like Sterling (2005) and public administration scholars like Peters (2018)—became the yardstick for evaluating investment-friendly locales (Shastri, 2019). In a developing country like India, a government's popularity among the lower classes is influenced more by the welfare programs it implements and how the benefits of these programs are actually provided to the needy than it is by the growth rates of the economy it has achieved or how it manages the security situation (Mishra & Attri, 2020).

States with higher levels of citizen trust can run more effectively, efficiently, and smoothly than states with lower levels of trust. Building trust is both the outcome and a determinant of inclusive governance, thus it is important for the government to be more watchful in this regard (Kim & Lee, 2019). When government is more efficient and democratic in its approach to these institutions, citizens are more inclined to trust public servants, politicians, and political institutions. In light of this, many academics (Kim & Lee, 2019; Denhardt & Denhardt, 2015) viewed governance as one of the best ways to meet the demands of the populace while simultaneously advancing the interests of the entire community. In their research, Bowler, Donovan and Karp (2007) discovered that democratic governance can encourage people to think more favourably about their capacity to affect the political system and how the government acts toward them. According to Bulgrin (2020), social accountability mechanisms could enhance government by enhancing service delivery and empowering citizens. They define social accountability as a strategy that depends on civic engagement, i.e., one in which individuals or groups from civil society participate directly or indirectly in holding people accountable.

As previously said, solid policies can help increase trust in government since they promote good governance (Ain, Yousaf, Jie & Akhtar, 2020; Beshi & Kaur, 2020). On the other hand, Christensen and Laegreid (2013) link better public service performance to trust in government and poor performance to distrust. They also point out that trust in one institution tends to extend to other institutions as well, and that demographic factors like age, education, and career can have an impact on trust in government. Citizens actually evaluate how well their governments function not just from the standpoint of services provided, but also from the perspectives of the effectiveness and fairness of government policies and government ethics (Kim & Lee, 2019).

Integrity, openness, and accountability in public administration serve as the cornerstone of good governance and build public trust (Ain et al., 2020).

According to Lapuente & Van de Walle (2020), improving the quality of public service delivery can also boost citizens' happiness with the government and, as a result, their faith in it. Even though trust is seen as both a prerequisite for and a by-product of good governance, in this article we only attempt to test a one-directional relationship and argue that good governance increases trust in state governments, which in turn are influenced by various factors like efficiency and effectiveness, integrity, responsibility, and accountability, participation, openness, and transparency (Osemeke & Osemeke, 2017).

2.5.5 Social accountability

By keeping the government and its representatives accountable, social accountability refers to community-based activities designed to increase transparency and access to information (Abbas & Ahmed, 2016). This idea is defined by Sarker and Hassan (2010) in the context of the demand for good governance; it is referred to as empowering citizens to demand more accountability and responsiveness from public authorities and service providers. The idea of citizen-led accountability is strongly related to social accountability. In order to demand better service delivery in areas like education and health, for example, communities can interact with local governments, service providers, and state actors in the best way possible, according to a 2005 study by the World Bank (Gupta, Agarwal & Khatri, 2016).

This study defines social accountability as a demand-side effort of good governance. The way that social accountability instruments are introduced and used has a significant impact on their success. In its study, the National Institute of Administrative Research (n.d.) linked institutionalisation to the success and efficacy of social accountability mechanisms. Indirectly, social accountability mechanisms aim to boost the effectiveness and performance of politicians and government officials.

In order to comprehend the interaction between the state and society that can improve the delivery of public services, social responsibility is the newest catchphrase among development partners worldwide (Hickey & King, 2018). Social accountability has the potential to boost democratic processes by reducing poverty, improving service delivery, developing people-centric policies, and empowering citizens over the long term (Institute of Development Studies,

2006). The ideas of voice and accountability in general are intimately tied to the idea of social responsibility.

The definition of voice provided by Kim and Lee (2019) indicates that this actually refers to citizens' ability to express their opinions, demand their fundamental rights, and criticise those in charge and in authority. When expressed through lobbying, protest, and appropriate complaint procedures, voice is more powerful. Accountability is, generally speaking, the interaction between the people and the government (at both the national and local levels) (Alam, Said & Abd Aziz, 2019). Although they are closely related, voice and accountability are not the same thing; organised voices influence accountability, and vice versa.

A concise framework for social responsibility is offered by the Affiliated Network for Social responsibility (ANSA) (2012). Organised and competent public organisations, accountable government, information access, and last but not least, sensitivity to culture and context, are the four pillars of social accountability. Civic engagement is crucial for the seamless and effective operation of demand-side mechanisms and activities. Citizens charters, entitlement checklists, participatory budgeting, budget monitoring, Right to Information (RTI), knowledge of pertinent laws, civic education, community score cards (CRC), citizens report cards, participatory planning, and community-led procurements are a few of the various social accountability tools used around the world (Sedarmayanti et al., 2020).

2.5.5.1 Social accountability and its assumptions

According to Netra, Mun, and Navy (2015), social accountability is predicated on two different tenets. First, it is presumed that citizens' access to knowledge about the effectiveness of their government alone will inspire them to act in concert. Second, the idea contends that public exposure of corruption and subpar performance makes state officials frightened of seeming incompetent and corrupt. Accordingly, spreading knowledge of subpar services or the misuse of taxpayer funds will put enough pressure on the government to improve services.

Information by itself, however, does not spur group action or compel state actors to act, as is the case in practice. In fact, information about the misappropriation of public funds, subpar services, and unreliable service providers is already widely available. Several research studies have indicated that spreading information alone doesn't have a significant impact on collective action and the responsiveness of the government (Hofstetter et al., 2020; Joshi 2013; Lieberman, Posner & Tsai 2014). Moreover, citizens make decisions about participating in

collective action based on their assessment of the potential advantages and drawbacks. Abbas and Ahmed (2016) discovered that citizens, particularly those with low income, are hesitant to engage in collective action because they are concerned about potential retaliation by authorities and fear that it might disrupt their personal relationships and the assistance they receive from government officials. This implies that the issue lies more in citizens' lack of influence than in their lack of information.

Importantly, spreading information that is already well known is unlikely to force officials to alter their methods of operation, especially in situations where democratic accountability is lacking (Hickey & King, 2018). Exposing state official corruption and abuse of authority is insufficient unless the state is empowered and ready to take action against abusers and corrupt officials. In some other situations, even though service providers are ready to respond to public demands, they might not have the means or discretion to do so. According to Peruzotti and Smulovitz (2006), who wrote about the experience of Latin America, the success of social accountability there is a reflection of the increasing diversity and capacity of social associations and citizen movements with broad public support in an environment of growing decentralisation and democratisation.

2.5.5.2 Empowering citizens in social accountability

Netra, Mun, and Navy (2015) came to the conclusion that in order for citizens to use the social accountability strategy to hold the government accountable and change current state-society interactions in the favour of the poor and marginalised, they must have the capability and authority to do so. The ability and clout gained by citizens through participating in social accountability projects, as well as their movements, spur their motivation to take such activities seriously. However, for social accountability reform to be successful, the government must be ready and able to act in response to popular demands (Sibanda, 2017). This is mutually reinforcing in that effective state responses can empower the public to mobilise and make demands, which in turn can stimulate public demands (Fox, 2014). Depending on the type of problems social accountability initiatives are trying to solve.

According to the research, in order for social accountability measures to have a real impact, the power dynamic between the poor and the state needs to change in their favour. Civil society must possess the authority to hold public officials accountable for their actions and performance. Although social accountability lacks the ability to directly impose sanctions, its

proponents have focused on three different ways to do so: by alerting the public to information, by exposing abuses of power and imposing political and reputational costs, and by pressuring other strong state agencies to act on that information (Shava & Mubangizi, 2019).

Additionally, research has shown that social accountability programs are context-specific and a part of a society's larger power structures (Pereira & Roder Figueira, 2021; Bauhr & Grimes, 2014). This may help to explain why programs for social accountability that are identical across contexts yield diverse outcomes. For instance, it was discovered that community monitoring enhanced public services in Uganda but not in India. Social activism, characteristics of the service industries, and the political economics of the various nations were said to be the causes of the difference (Bauhr & Grimes, 2014). This implies that social responsibility is mostly a powerless tool.

According to Houtzager, Acharya, Amancio, Chowdhury, Dowbor and Pande (2021), in relation to this observation, tool-based social accountability strategies that emphasise information sharing and citizen monitoring are very feeble forms of accountability and are powerless to alter the root reasons of public sector failure. This may help to explain why social responsibility efforts have had varying degrees of success in achieving the three aims listed above (Fox, 2014). This shows that, absent more significant changes in the balance of power, it is very difficult to give disadvantaged citizens leverage over the government.

2.5.5.3 Municipal financial accountability

Accountability as an ethical idea has multiple applications (Shava & Mubangizi, 2019). It is frequently used in conjunction with words like accountability, enforceability, blameworthiness, liability, and other words that refer to the expectation of providing an account (Pereira & Roder Figueira, 2021). Public leaders must be held accountable for their policies, actions, and use of public monies under the principles of responsibility and accountability, which are closely tied to one another. Sustainable development, poverty reduction, and the efficient use of limited resources all depend on transparent and accountable public financial management. Accountability is the duty to reveal, defend, and justify behaviour (Bauhr & Grimes, 2014). Financial accountability indicates that those in positions of trust, such as those in public office or those handling money, have a responsibility to report on how those funds are actually being used (Fourie, 2019).

Political accountability and administrative accountability are two additional characteristics that are closely tied to financial responsibility (Fourie, 2019). Political accountability refers to a system of checks and balances that regularly and transparently punishes or rewards people who hold positions of public trust. On the other hand, administrative accountability includes control mechanisms that are internal to the government and consist of guidelines and standards for the public sector, rewards, moral standards, and administrative evaluations (Sibanda, 2017). Thus, the basis of the intellectual, constitutional, and legal history of Western democracy is financial accountability in the handling of public funds. The importance of ideals and accountability in public affairs is emphasised by democratic thought. Based on the idea that accountability can only occur when the governed and the rulers are kept apart, Locke developed his thesis of the superiority of representational democracy (Sibanda, 2017). The demand for accountability is best encapsulated by Jeremy Bentham's maxim that '...the more we are watched, the better we behave...' (Lindberg, 2013:203). Accountability is linked to the practice of discretionary rule and is often interpreted as the authoritative application of control and coordination as well as the authoritative allocation of resources.

2.5.5.3.1 Implications for municipal clean audit outcomes

Municipalities are required to provide services to communities in conformity with any applicable legal requirements. These laws are founded on the ideas of accountability, openness, and good government. Additionally, it controls how public resources are managed. Accounting officers are required by the Municipal Finance Management Act (MFMA) to take reasonable precautions to avoid unauthorised, irregular, pointless, and wasteful expenditure. Conflicts of interest and disregard for controls are the main causes of SCM violations, which result in irregular expenditure. Conflict of interest awards given to council members, employees, members of their immediate families, and state employees totalled R800 million for the 2013–2014 audit year (Auditor-General, 2016:35), creating significant ethical concerns about the administration of municipal funds. The Auditor-General's Reports constantly state that there were significant findings of non-compliance with rules and regulations in every municipality that was audited. It is frequently determined that non-compliance with laws and regulations is the root cause of the complete absence of basic internal controls that are intended to deter unethical behaviour and address failures to achieve objectives (Sibanda, 2017).

Weak control settings were mostly to blame for the Auditor-General's conclusions regarding unauthorised, irregular, pointless, and wasteful expenditure as well as non-compliance with

regulations. There don't seem to be any fundamental safeguards in place to stop irregular, unauthorised, pointless, and wasteful spending (Auditor-General, 2017:45). As a result, a coordinated effort is required to improve the control environment (Auditor-General, 2018:48-51). When violations of laws and regulations go unpunished, as is frequently the case due to a failure to determine who was at fault or could be held accountable as required by the Municipal Finance Management Act (No. 56 of 2003), a false impression is given that such violations are acceptable and tolerated (Auditor-General, 2019:80).

Legislative violations and conflicts of interest must be treated with zero tolerance by the political and administrative leadership. Along with this endeavour, the Internal Audit Unit and Audit Committees need to help uncover violations of financial management legislation more effectively. Additionally, councils and their MPACs ought to investigate all unauthorised, irregular, pointless, and wasteful spending more thoroughly and see to it that the measures called for under Section 32 of the MFMA are carried out. More importantly, supervisory role actors like the municipal council and MPAC need to hold top management and accounting officers completely responsible for delivering the required levels of assurance, which will eventually lead to better audit outcomes (Auditor-General, 2020).

2.5.6 Service delivery

Service has been defined differently by authors from different fields (Kodom, Owusu & Kodom, 2019; Mudalige, 2019; Preko, Agbanu & Feglo, 2014). According to Mudalige (2019), services are actions or interactions between customers and service providers in which the latter attend to the demands of the former. Preko et al. (2014) define services as intangible offerings that are offered for sale and involve activities, advantages, or satisfactions but do not lead to the ownership of a tangible good. Kodom et al. (2019) emphasised the difficulty of defining services, pointing out that modern conceptions of them centre on the lack of a tangible product, even yet services can help produce real benefits. Pure services are exceptional in that they cannot be separated from one another, are intangible, perishable, variable, and cannot be owned.

Governments, intergovernmental organisations, and the private sector can all provide services (Derow & Muhindi, 2021). Services must therefore be provided by the government or by intergovernmental organisations in order to be termed public. Public services are those provided by public sectors through a variety of delivery methods. In agreement with this claim,

Gaster and Squires (2003), cited in Engdaw (2022) define public services as goods and services provided by the government to those under its control, either directly or indirectly through the public or private sectors. Additionally, public services are a natural monopoly that reliably controls and delivers some services for the benefit of the general public. Nevertheless, despite numerous reforms, the public sectors continue to offer the majority of services to the public, particularly in developing economies (Mudalige, 2019).

The main goal of public management is to provide public services. According to Engdaw (2020), one of the factors leading to the failure of the first and second waves of reforms in developing nations was a lack of focus on the delivery of high-quality public services. According to Baimyrzaeva (2012), the primary flaw of the first-generation reform—also known as the second wave of institutional reform—that took place in the 1980s and 1990s was a lack of focus on high-quality public services due to the pressure of the crisis and structural changes. However, the third generation of reforms concentrated on improving the standard of public services. Engdaw (2022) argues that despite changes being implemented, delivering high-quality public services is still becoming a problem. This may be a result of the customers' changing and subjective demands and expectations.

2.5.6.1 Quality public service delivery

It is generally agreed upon by academics that service quality is an elusive and abstract concept, making it challenging to define and quantify (Preko, et al., 2014; Engdaw; 2022). Due to this, there have been several discussions about how to measure and assess service quality. Quality service is defined as a value assessment on the results, impacts, and outcomes of what firms do or deliver to the consumers by Bevir (2007), as mentioned in Engdaw (2022). According to the literature (Bateson & Hoffman, 2011; Engdaw; 2022; Kodom et al., 2019), the definitions of service quality are largely concerned with meeting the demands and requirements of the customers and demonstrating how quality services are supplied to meet their expectations. The 'disconfirmation paradigm' is a theory that results from this concept. Expectations are particularly personalised because they are based on personal conventions, beliefs, wishes, and requirements (Kodom et al., 2019). According to Sumah and Baatiema (2019), customer expectations are notions about the service that act as benchmarks or references by which the quality is measured.

For a thorough understanding of the notion, Gronroos (1984) was one of the first academics to propose for conceptual models of service quality. Gronroos asserts that the service providers should control perceived service quality based on client expectations. Customers thus serve as the standard bearers for service excellence. Although it differs from person to person, service quality involves determining whether perceived service quality meets, exceeds, or fails to meet client expectations. Quality service is all about how customers perceive how services best meet or exceed their expectations (Lapiente and Van de Walle, 2020). The quality of public services is typically assessed by looking at the types of differences between what consumers typically expect from the services offered and how those services are perceived to actually perform (Akpan, 2019). As a result, consumer assessments of the services offered are what decide the level of service (Pareek & Sole, 2022).

Based on above definitions, it can be said that the level to which the public service delivery is perceived as meeting or exceeding the expectations of the consumers is the measure of quality public service delivery. Although acknowledging how challenging it is to describe quality, Chakrapani (1998), cited in Engdaw (2022), proposed an academic definition of quality by conforming to a few operational definitions. According to Lapiente and Van de Walle (2020), a good or service is of high quality if it exceeds the expectations of the customer in terms of enjoyment. In a market where there is competition, the good or service with the highest quality is the one that gives the most pleasure.

2.6 Decentralisation assessment for municipality administration

Letelier and Ormeno (2018) define decentralisation as the transfer of decision-making powers. However, this transfer does not entail the eradication of central control or powers associated with nationally significant processes. Instead, decentralisation incorporates fiscal, political, and administrative aspects, which are, to a certain extent, distributed across distinct vertical layers of government. Also, Faguet and Sánchez (2014) define decentralisation as a process carried out by the central government, involving the delegation of authority in specific functions. These functions encompass aspects like administration, political representation, and economic aspects such as tax collection, expenditure, and decision-making authority.

Therefore, decentralisation is when authority is bestowed upon autonomous local governments that are democratically established and operate independently from the central government. It is important to note that this local governance occurs within a defined legal and functional

domain. Bojanic (2018) asserts that the process of decentralisation might initially have negative impacts on revenue and expenditure. However, as time goes on and society becomes accustomed to the idea, positive outcomes begin to emerge. Bojanic (2018) further states that the decentralisation process is likely to require time for proper design and implementation. Consequently, the affected government is expected to go through a learning curve during this process, and the anticipated positive results will not manifest overnight.

Zhang et al.'s (2022) citation of a paper from the Urban Institute Centre on International Development and Governance (IDG) (2010) suggests a comparative decentralisation assessment for quickly evaluating a country's local public sector, including its political-administrative structures, its system of intergovernmental relations, and the financing and operation of the country's decentralised local governments. The framework recognises two main actors in achieving decentralisation, which is the empowerment of people: the central public sector and the citizens themselves. The framework uses three main technical dimensions of decentralisation: political, administrative, and fiscal decentralisation. The area in between them is the local public sector. According to Zhang et al. (2022), both are effective at giving a broad overview of the current state of decentralised local governance and abstracting away from a variety of contextual factors including a nation's history, center-level politics, geography, culture, or religious makeup. Additionally, they both adopt the traditional three facets of decentralisation—administrative, political, and fiscal—and incorporate the viewpoint of the public in their evaluation.

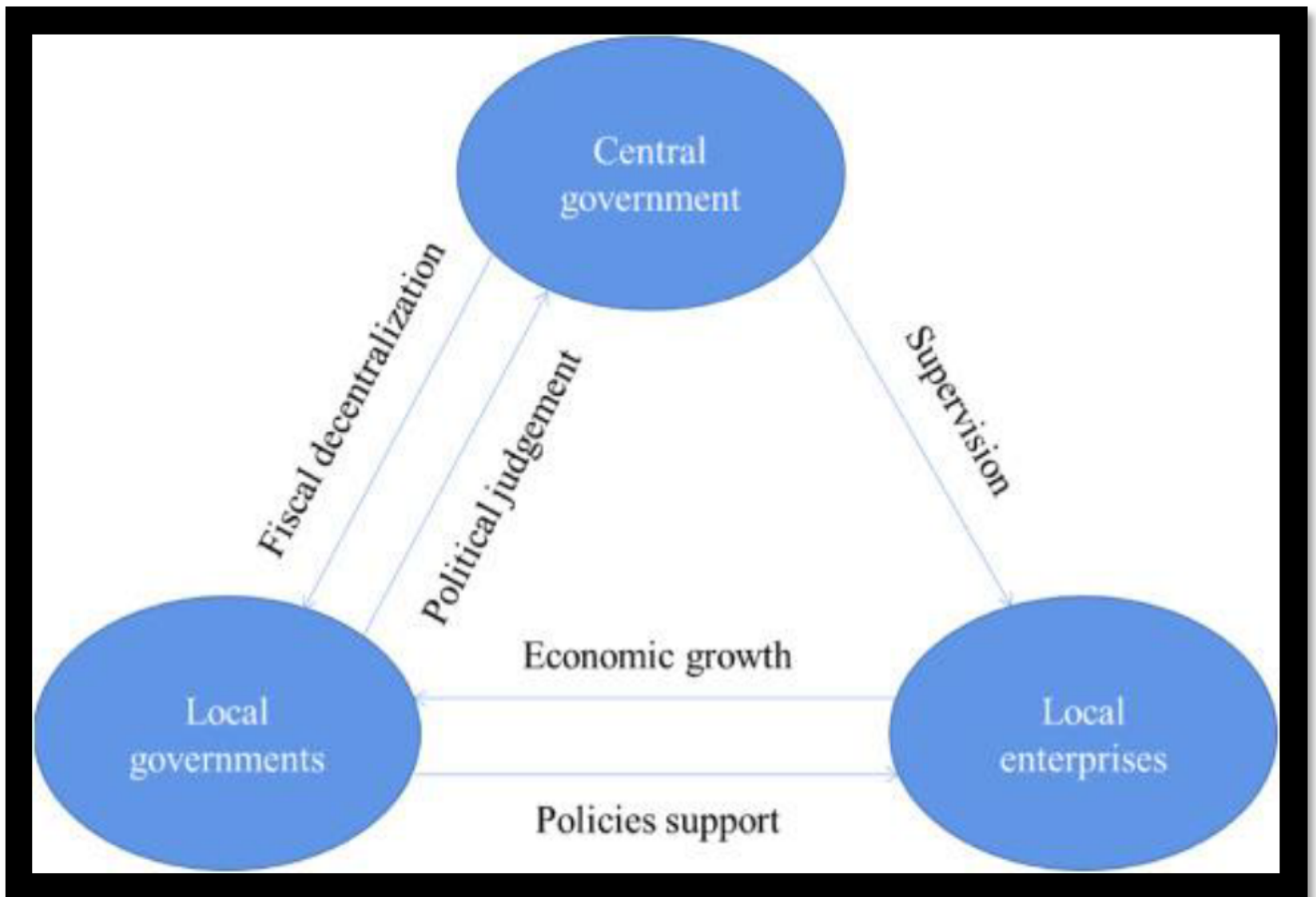


Figure 2.4: Framework for decentralisation assessment for municipality administration
(Source: Zhang, Zhou, Wang, Ding & Zhao, 2022)

The creation of participatory local democracy involves major actors, as indicated by Participatory Local Democracy Index (PLDI), namely local governments and citizens (Choi & Park, 2021). The assessment framework, in addition, considers stakeholders at three distinct levels of government: Local governments take precedence, followed by central government stakeholders, civil society, and businesses. The framework mandates an evaluation of whether the central government level and the community level have the appropriate balance of discretion and accountability. This is crucial because the inefficiency of the local public sector is frequently a result of inadequately designed intergovernmental systems or actions taken by central government agencies.

2.6.1 Centralisation government

Vos and Voets (2022) suggest that the central government is typically considered to hold a superior position compared to local governments. It is expected that when devolution occurs, the central government might experience a loss of efficiency, leading to reduced economies of

scale in public goods production. However, this might be offset by lower administrative costs as staff expenses and overheads get distributed across various local governments (Wushe & Shenje, 2019).

In another perspective, Ladner, Keuffer, and Baldersheim (2016) state that European Authorities took significant measures to address cultural challenges in the practical implementation of local autonomy. The forty seven (47) member states of the European Council chose to adopt the 'European Charter of Local Self-Government' in 1985, establishing it as a fundamental instrument for safeguarding and advancing local self-rule. Nevertheless, scrutiny has been directed toward fiscal policies recently. Górnicka, Kamps, Koester, and Leiner-Killinger (2018) point out that during the financial crises within the euro area, numerous countries under its jurisdiction sought to counter increasing national government debt through fiscal retrenchment strategies, often after 2010. This involved raising taxes and/or reducing public services. Sow and Razafimahefa (2015) highlights that the centralised fiscal system has suffered from global shortcomings, leading to a tarnished reputation. As an alternative, decentralisation is being viewed as a promising avenue.

Kuhlmann and Wollmann (2019) emphasise the significance of intergovernmental relations, particularly in systems like the French prefectural government model. In this setup, officials at regional and local levels play a vital role in overseeing national-level administrators working within their jurisdiction. However, they report directly to the central executive, leading to a drawback pointed out by Kuhlmann and Wollmann: it tends to disconnect the concerns and requests of local residents. In a similar vein, Zongwe (2019) highlights the extreme centralisation of power in the Democratic Republic of Congo (DRC), which affected political activists, parties, movements, and the general population. This excessive centralisation prompted these stakeholders to unite and advocate for a shift away from the centralised government system.

Jaros and Tan (2020) highlight the pivotal role of fiscal decentralisation in China's shift towards a market economy. From 1978 to 1993, China employed various fiscal management systems to dismantle its highly centralised fiscal approach. Subsequently, from 1994 to 2012, the nation embraced a tax-sharing system. However, Arends (2020) caution that granting local autonomy

can lead to conflicts between the central government and local authorities, as local leaders may sometimes resist central directives.

Yet, Yang, Li, and Li (2020) argue that, compared to other developing and transition countries, China's governance leans towards decentralisation, particularly concerning expenditure decisions. In 2005, developing countries allocated 19.6 percent of public expenditure, while transition countries allocated 22.3 percent. Remarkably, China managed to allocate a substantial 70 percent of its funds to sub-national governments (Shen et al., 2014). Moreover, criticism of the centralised government system has been consistent, with claims that it hinders the efficiency of public service delivery (Wangari, 2014, cited in Nzulwa, Iravo, and Wagana, 2017). This underscores the ongoing debate over the balance between centralisation and decentralisation in China's governance.

2.6.2 Hidden costs of centralised fiscal control

Pina, Bachiller, and Ripoll (2020) observed that the erosion of public finances and the resulting financial instability have given rise to a lack of fiscal discipline across various levels of public administration. This budgetary and financial distress can lead to an escalation in the cost of debt, triggering systemic consequences. Subsequently, central governments have been strongly motivated to exert control over the local budgetary process to prevent the potential misuse of borrowing powers by local governments (Pina et al., 2020). In the literature, different municipal borrowing governance models have been identified, each adapted to varying contexts and control approaches. Within the European context, the Stability and Growth Pact currently in effect appears to embody what is referred to as the Centralised Discipline and Control Model (Eltrudis & Monfardini, 2020). This model emphasises the need for bureaucratic controls and relies on stringent rules that local governments must adhere to when seeking to borrow funds.

Traditionally, local governments have primarily relied on the banking sector for funding, in addition to tax sharing and governmental transfers. Specialty municipal banks, such as Dexia Credit Local in France, the Public Works Loan Board in the United Kingdom, BNG in the Netherlands, Banco de Credito in Spain, Credit Communal in Belgium, and Cassa Depositi e Prestiti in Italy, have played a crucial role in providing financial support to local governments. These banking relationships in Western Europe have evolved into long-term partnerships with local governments (Eltrudis, 2018).

While municipal bonds have been utilised worldwide for financing investments, their development in the European Union has been relatively sluggish, despite their potential similarity to conventional bank mortgages under specific conditions (Pina et al., 2020). One key reason for the reduced issuance of municipal bonds is the financial unsustainability that arises when government borrowings become more expensive than the interest rates offered by banks (Eltrudis & Monfardini, 2020). Additionally, the introduction of the European Union's Stability and Growth Pact has constrained the proliferation of municipal bonds as an alternative to bank lending, particularly in unitary countries. Consequently, the European municipal bond market remains generally smaller compared to the sovereign bond market (Pina et al., 2020). However, Keita and Turcu (2019) opines that it is worth noting that federations, where sub-national governments possess greater autonomy, are less affected by these constraints.

2.6.3 Policy execution: Contrasting top-down and grassroots views

According to Thusi and Selepe (2023), problem solving in public policy can be viewed as either a bottom-up approach that addresses players who are close to the problems at hand or a top-down approach that views it as a control problem. Wushe and Shenje (2019) claimed that it is important to examine both the motivations of the involved actors as well as the design of the policy instruments when analysing the prerequisites for local sustainable development. Haryanto and Tenrini (2021) assert that adopting a top-down perspective could result in variations in national approaches, which would be the primary factor contributing to diversity in local implementation.

On the other hand, from a bottom-up viewpoint, the receiving towns would require entities and individuals with the ability and will to carry out mitigation. Hjern and Porter (1981), as cited in De Kadt and Lieberman (2020), expanded the notion of implementation beyond traditional top-down concepts in public administration by highlighting that it often unfolds within a structure where individuals from various public and private organisations collaborate in informal teams to execute programs. These implementation structures are developed by motivated individuals from several organisations in response to a program built around an administrative imperative, rather than being planned. The initiatives to be performed could be subject to workforce reductions, for example, because they frequently result from individual initiative (Fiala & Premand, 2018). The development and stability of the implementation structure, as well as the authority relationship within it (i.e., co-ordinative competence, power, and resource control), determine the formation and efficacy of a local program or initiative.

According to Vos and Voets (2022), changes in the implementation structure along these dimensions may have a significant impact on how central government policies supporting local climate policy affect local mitigation efforts.

2.6.4 Political judgement

Frey and Schneider (1978) were pioneers in suggesting that governments tend to act more opportunistically when their popularity is on the decline. This idea gained further support from Schultz (2009), who discovered a negative correlation between increases in transfers before elections and the incumbent's political security, as measured by public opinion polls, in the context of transfer payments in Great Britain. Narbón-Perpiñá and De Witte (2018) argue that a government's inclination to manipulate the economy is influenced by its confidence in winning re-election. When a government is reasonably sure of re-election, it has less incentive to engage in economic manipulation, recognising that such actions can harm the governing party's reputation and lead to poor macroeconomic outcomes in the future.

However, Sutherland, Price and Joumard (2005) challenge the notion that popular governments will consistently act less opportunistically. Sutherland et al. (2005) argue that the relationship between popularity and opportunistic behaviour is not linear. Very unpopular governments, faced with the high costs of regaining popularity, may not engage in opportunistic actions. Conversely, an unpopular government may opt for extreme economic behaviour, possibly leaving a fiscal mess for its successor to handle (Bucci et al., 2023). In line with these arguments, Sutherland et al. (2005) discovered a non-linear relationship between real transfers and the pre-election popularity levels of the governing party in the United Kingdom. Similarly, Carlsen (1997) found a negative connection between re-election prospects and pre-election money growth.

Expanding on this body of research, Kwabena (2021) delves into how alterations in transfers to municipalities influence electoral outcomes and whether these pre-election transfers hinge on the incumbent government's expectations of winning re-election. Furthermore, Narbon-Perpina and De Witte (2018a) examine two competing theories regarding redistributive politics in the context of intergovernmental grants. According to Chen, Liu and Lu (2022), upper-level governments should allocate more funds to swing regions where voters have weaker affiliations with either the government or opposition parties. In contrast Shin (2018) argue that central governments, being risk-averse, invest in regions where they already enjoy strong support.

Several studies have explored these theories in different contexts. In the United States, a substantial body of literature has examined political influences on federal spending distribution across states, covering initiatives like the New Deal, infrastructure funding, economic stimulus programs, and disaster relief (Garrett & Sobel, 2003; Reeves, 2011). For Jolley (2023) found solid evidence supporting that politicians court swing voters. Gjini (2013) examined block grants in Albania, revealing a preference for swing communes and potentially pivotal ones in parliamentary seat allocation. Kim (2019) focused on the United States and concluded that states direct more resources to local governments that offer strong electoral support, finding limited backing for the swing voter model. In Portugal, da Costa Tomé (2017) investigated intergovernmental grants and discovered a pattern where grants increased during election years. Their findings also indicated that municipalities with a significant number of swing voters received more grants, especially during the early years of Portuguese democracy.

2.6.5 Local government

Research on public sector efficiency has predominantly concentrated on the local level, with a particular focus on assessing overall performance of local governments (De Siano & D'uva, 2017; Da Cruz & Marques, 2017). Numerous studies have evaluated the efficiency of municipalities in various countries, including Belgium, Germany, Greece, Norway, Portugal, and Spain, offering insights into overall municipal efficiency (Bosch, Espasa, and Mora 2012; Kalb, Geys & Heinemann, 2014; Doumpos & Cohen 2014; Cruz and Marques 2017; Narbon-Perpina & De Witte, 2018). Additionally, some studies have narrowed their focus to efficiency in specific services like refuse collection, street lighting, and local road maintenance (Prado Lorenzo & García Sánchez, 2013; Kalb 2014).

Furthermore, Balaguer-Coll, Brun-Martos, Márquez-Ramos, and Prior (2019) have provided insights into the factors influencing municipal efficiency, particularly concerning the characteristics of municipalities. Other research endeavours have sought to determine whether fiscal decisions in one municipality are influenced by those made in neighbouring municipalities, a phenomenon often attributed to the 'first law of geography,' which posits that proximity fosters greater interrelatedness (Sow & Razafimahefa, 2015). In fact, there exist theoretical models that justify the presence of spatial interdependence among governments, as outlined by Brueckner (2003) and Revelli and Tovmo (2006), who offer various theoretical explanations for interdependence in this context.

Rios, Pascual, and Cabases (2017) contend that decisions made about expenditure in neighbouring municipalities have an impact on levels of spending in a given municipality. The local tax system is studied by Ndiaye (2018) in a manner comparable to how taxation decisions are studied. Municipalities consistently copy one another's tax policies, according to the research. The research by Alvarez and Barbero (2016) analyses regional competition for public resources while highlighting the significance of spatial effects of tax revenue on growth in Spanish regional economies. Kopczewska (2019) and Narbón-Perpiñá and De Witte (2018) investigate geographic patterns in debt. The outsourcing of municipal services also exhibits geographical dependence, meaning that local authorities' decisions to outsource their operations are influenced by those of their closest neighbours (Akpan, 2019).

The research cited above demonstrate how crucial spatial interdependence is to municipal administrations. It is understudied, though, how the efficiency levels of neighbouring municipal administrations are influenced by one another. In fact, Allers and Elhorst (2011) suggest that focusing on either taxes or spending separately entails ignoring the local government's budget constraint, which connects spending and taxation. It is helpful to concentrate on the examination of efficiency because of this. Given that not all municipalities might have responded uniformly to the financial crisis, Ndiaye's (2018) empirical approach enables to effectively determine the influence of factors affecting government efficiency at the municipal level. Additionally, it allows to assess the significance of spatial interdependencies in this context.

2.6.6 Socio-economic factors

Population density is just one example of how socio-economic factors play a significant role in determining how efficiently local public services are provided (Balaguer-Coll et al., 2019). De Borger and Kerstens (1996), cited in Balaguer-Coll et al. (2019), claim that the level of population concentration may have an impact on how much it costs to deliver specific public services, with cost inefficiency rising in areas with a more scattered population. Because they benefit from the cost advantages associated with agglomeration economies, interconnected local services can be easier to administer and consume when there is a higher population concentration (Geys et al., 2014). Municipality mergers boost local economic development in China, albeit the size of the effect relies on regional resources connected to agglomeration forces (Tang & Hewings, 2017). Therefore, depending on the baseline density of cities, the consequences of mergers on local economic development may differ.

According to Bucci et al. (2023), the socioeconomic aspect that affects citizens' wages and wealth has an impact on the incentives for both politicians and taxpayers to keep an eye on spending. The unemployment rate and per capita disposable income are two different indicators that Balaguer-Coll et al. (2019) utilise to measure the effect of people' wealth and the economic condition on local government performance and discovered that they subtly influence it. Finally, a number of studies have examined how tourism affects local government efficiency (Seifert & Nieswand, 2014; Cruz & Marques, 2017; Kalb, 2014). The availability of local services may be impacted by seasonal population movements. Seifert and Nieswand (2014) claim that the additional costs of providing municipal services to non-residents may have a detrimental effect on budgets and expenditures. Cruz and Marques (2017) make the argument that higher populations during peak tourist seasons could need the purchase of extra infrastructure and services, which could have a detrimental impact on municipal spending plans. It is also important to note that towns found in the touristiest areas may have a higher need for high-quality services (Kalb, 2014).

2.6.7 Political factors

The political orientation of the incumbent party is a crucial factor influencing the performance of local governments (Balaguer-Coll et al., 2019). However, the precise impact of ideology on efficiency has not been definitively established in previous research. Both right-wing and left-wing ideologies have been linked to higher efficiency levels in different contexts (Ashworth et al., 2014; Cruz & Marques, 2017). Nevertheless, Pérez-López, Prior, and ZafraGómez (2015) found that the relationship between the incumbent's ideology and local government performance lacks significance or robustness.

Apart from the political affiliation of the ruling party, the level of political competition within the local council can significantly affect local government performance, as indicated by Kwabena (2021). On one hand, research by Kalb, Geys, and Heinemann (2012) suggests that electoral competition can enhance efficiency, while Doumpos and Cohen (2014) argue that political strength promotes municipal efficiency. Lower political competition can result in more efficient resource allocation by avoiding protracted negotiations and making it easier for strong political leadership to impose strict budget constraints. Furthermore, Qian and Zhang (2018) suggest that citizen political participation can enhance local government performance by increasing scrutiny and pressure on government officials. Balaguer-Coll et al. (2019) use voter turnout as a measure of citizen involvement and democratic participation, expecting it to

reduce inefficiencies in local public service provision due to heightened pressure on politicians to manage resources more efficiently.

2.6.8 Budgetary factors

Balaguer-Coll et al. (2019) contend that a group of budget-related factors significantly impact local government efficiency, starting with the level of tax revenues. Hayes (2019) found that higher taxes can positively influence efficiency because they motivate taxpayers to closely monitor and control public management. However, Ashworth et al. (2014) discovered that when local governments can easily secure public revenues, their efficiency tends to decrease. Similarly, the influence of intergovernmental transfer revenues on local service provision performance generally reveals a direct association with inefficiency (Pérez-López, Prior & Zafra-Gómez, 2015). Easier revenue generation may reduce incentives for efficient resource management.

Another budget variable considered is debt levels, which can reflect overall resource management quality (Letelier & Ormeno, 2018). However, Sow and Razafimahefa (2015) found that local public service provision is not significantly linked to debt levels. High debt levels might hinder efficiency as they require more resources for interest and debt payments, potentially leaving fewer funds for municipal services (Ashworth et al., 2014). Conversely, high indebtedness could result from past investments that contribute to improved current performance. Lastly, Narbón-Perpina and De Witte (2018) incorporate a variable measuring the number of mistakes in budget statements, reflecting the quality of public resources. They observed that local authorities with resource deficiencies tend to exhibit lower efficiency levels. Therefore, a higher number of mistakes in budget statements is expected to correlate with higher local inefficiency levels.

2.6.9 Benefits and negative effects of decentralisation

After providing a brief overview of the applicability of traditional fiscal decentralisation theory to developing nations, the focus now shifts to the examination of whether there exists a robust empirical case for fiscal decentralisation in these regions. Regrettably, the available evidence is both conflicting and limited. In this section, various commonly held beliefs concerning the advantages of fiscal decentralisation are explored. These include assertions that fiscal decentralisation has negative implications for income distribution, hampers economic growth,

results in adverse macroeconomic effects, enhances local service delivery, and reinforces accountability of local government to the public.

2.6.9.1 Public infrastructure and local economic development

Some analysts have long maintained that the more pronounced role of decentralised governments in industrialised countries suggests that decentralisation may stimulate development and that local authorities have an important role to play in the management of development (Dwicaksono & Fox, 2018). Some recent empirical evidence suggests, on the contrary, a negative effect of fiscal decentralisation on growth (Martínez-Vázquez et al., 2017). These studies typically use regression analysis that relates income levels or growth rates to fiscal decentralisation. In addition to the static nature and limited time frame of some of these models, there is a problem with the key independent variable: fiscal decentralisation is typically defined as the subnational share of total government expenditure.

At one level, this is the obvious choice of variable, but it problematically abstracts from political and institutional context, the importance of which was discussed above. An example drawn from two countries will help to illustrate the potential problems involved. Ngigi and Busolo (2019) assert that decentralised governments in Kenya are responsible for only 34.5 per cent of total government expenditure, but they do provide some level of many basic local services, they receive virtually no intergovernmental transfers and their elected councils conduct their fiscal affairs with an unusual level of autonomy for a developing country. And while Indonesian subnational governments account for a substantially larger share of total public expenditure, many local services are not their formal responsibility, they are heavily dependent on intergovernmental transfers and they have little autonomy in making decisions about how to spend their resources (Bulut & Abdow, 2018). In this case, the positive attributes of decentralisation promoted by its proponents are more clearly embodied in the Kenya situation, but the empirical models would consider Indonesia to be more fiscally decentralised. The implication, for example, is that any growth-inhibiting fiscal decisions attributed to the ‘fiscally decentralised’ Indonesian local governments would in fact be determined largely by central government decrees.

Such anecdotal evidence does not disprove the case of the ‘fiscal decentralisation harms national growth’, but it does raise questions about the interpretation of their results (Sujarwoto, 2017). Until there are more sophisticated analyses that can control for critically important

contextual variations across countries, definitive generalisations should not be made on this issue. There is also a small literature that examines the impact of public infrastructure provision on local economic development. Cobos, Merino, Monzon, Martinez and Santos (2017) suggests that most of this literature, which focuses on industrialised countries, suggests a positive and significant effect, including when infrastructure is a local responsibility. The topic, however, has not been widely studied in developing countries (Martínez-Vázquez et al., 2017).

2.6.9.2 Fiscal decentralisation and macroeconomic stability

Melnyk, Sineviciene, Lyulyov, Pimonenko and Dehtyarova (2018) suggests that several analysts have moved beyond conducting a general evaluation of how decentralisation influences economic growth, and have instead proposed specific methods by which fiscal decentralisation negatively affects overall macroeconomic stability. There is a long list of reported issues; however, certain statements stand out and are frequently mentioned when criticising the advantageousness of fiscal decentralisation. Initially, opponents claim that in numerous countries, local administrations tend to operate with insufficient funds, leading them to rely on the central government's financial resources to cover their deficits (Palienko, Lyulyov & Denysenko, 2017). Furthermore, those opposed to decentralisation contend that implementing specific and rigid structures to distribute central resources among local governments diminishes the center's authority to determine the utilisation of public resources.

Jalil, Harun and Mat (2020) argues that there are accusations from certain analysts claiming that local governments neglect their obligations to reimburse the loans obtained from the central government. Consequently, this compels the central government to utilise its own general funds once again, frequently for the purpose of repaying debts to international development entities like the World Bank. Furthermore, there are accusations stating that local authorities exploit the resources from the central government due to their political influence over it (Melnyk et al., 2018). Additionally, it is claimed that local governments have a higher propensity for corruption compared to central governments, which results in unfavourable financial choices and mismanagement of public assets. Concerns raised by analysts who oppose decentralisation include the potential competition between centralised government and decentralised units in terms of tax resources, as well as competition among the decentralised units themselves through policies that could impact business expenses and hinder domestic trade. Furthermore, there are accusations stating that local authorities exploit the resources from the central government due to their political influence over it (Arif & Ahmad, 2017).

It can be both challenging and straightforward to refute such arguments. A significant number of developing countries face certain problems that are challenging to address, as acknowledged by individuals with practical knowledge in public finance. Palienko et al. (2017) suggest some reasons why they can be easily countered or questioned. To begin with, it is important to note that not all developing countries have these conditions, and many of the significant generalisations in research are based on atypical cases.

Secondly, the influence of several of these potentially troublesome forms of conduct is unlikely to have a substantial effect in the setting of a typical developing nation. Moreover, the analysis of these issues is narrowly concentrated on possible immediate macroeconomic worries (Jalil et al., 2020). Regardless of the validity of these concerns, it is crucial to assess whether the potential microeconomic benefits, which serve as the main rationale for decentralisation in the fiscal federalism model and related literature, eventually outweigh them (Bushashe & Bayiley, 2023). Ultimately, and of utmost significance, a significant number of these issues, when present, are practical indications of reckless financial actions that have the potential to be rectified. None of them argue that fiscal decentralisation poses an inherent and unavoidable risk to macroeconomic stability.

The available data and observations on potential risks of fiscal decentralisation on the overall economy are inconclusive and largely based on individual stories or accounts. Arif and Ahmad (2020) asserts that while instances of these issues prevailing and holding importance exist, widely publicised accounts of detrimental consequences often occur in nations where decentralised organisations hold an unusually large degree of importance and enjoy considerable autonomy. For example, despite decentralisation processes, local governments in many developing nations have a relatively limited role in overall public sector finances.

Not many countries undergo significant decentralisation or offer unrestricted entry to capital markets, especially in the initial phases (Bushashe & Bayiley, 2023). Therefore, local governments do not possess the same level of authority and impact as state governments did in Brazil during the financial crisis of the mid-1990s (Brady, 1990). Incidents like those in Ethiopia and Uganda, where proposals for excessive fiscal decentralisation were prompted by crises, had inherent limitations preventing situations from spiralling out of control. In Ethiopia, decentralisation did not come into existence due to capability limitations, and in Uganda, the

government reversed course due to underperformance at the local level (Gudeta, Alam & Tolassa, 2021).

Defere (2018) mentioned instances where the conditions contrary to those claimed by the anti-decentralisation group are said to exist as well. Some experts perceive corruption as a more prominent issue at the central level rather than the local level, especially in nations with effective transparency through the growth of local democracy (Hermansson, 2019). Many researchers on decentralisation contend that the central government typically exercises more authority over local governments compared to the influence local governments possess over the central government (Melnyk et al., 2018; Palienko et al., 2017). This includes the authority of the central government to swiftly halt any local efforts to rival central tax revenue significantly.

Additionally, the perceived drawbacks of decentralisation might be exaggerated. Hermansson (2019) examined the discussion surrounding the potential for local authorities to engage in adverse practices that hinder progress. In countries with fiscal decentralisation, there might be a certain degree of tax competition between local governments across different jurisdictions. However, it is usually not considered a significant issue. According to Shin (2018), the local taxes in most developing nations are relatively low in terms of their amount, and when compared to the national taxes imposed on all businesses, they hold minimal importance. Moreover, studies conducted in developed nations suggest that variations in local taxes typically have a minimal impact on people's actions. Other factors such as availability of resources and conveniences are usually more important in determining where businesses and households choose to be situated (Wang et al., 2023). In developing countries, research is limited, but it is expected that the impacts would be comparable or possibly even less significant than those in industrialised nations.

Furthermore, the attention is directed towards the direct adverse impacts on the overall economy that arise from the process of fiscal decentralisation. Regardless of the presence of these potential microeconomic gains discussed below, it is crucial to evaluate if they can ultimately compensate for any short-term macroeconomic issues (Melnyk et al., 2018). This raises a significant policy consideration that has been minimally explored in academic writings: whether it is acceptable for the central budget to incur adverse repercussions to establish the groundwork for realising the potential microeconomic advantages of decentralisation,

ultimately resulting in macroeconomic benefits. In such a scenario, determining a suitable restriction becomes imperative (van der Walddt, 2019). Additionally, specific aspects of the micro-macro 'trade-off' require particular attention. For instance, allocating local governments a fixed portion of central income does reduce the flexibility of the central budget to some degree (Chen & Chang, 2020). However, it also offers local governments a predictable income stream that enables them to engage in consistent activities that aid local economic progress (Chygryn, Petrushenko, Vysochyna & Vorontsova, 2018). In order to comprehend the interactive connection between small-scale and large-scale effects, as well as the potential consequences of specific conflicts and compromises, further empirical proof is required.

When assessing the criticisms towards fiscal decentralisation, it becomes clear that although some objections raised by opponents are valid, they do not indicate fundamental flaws in the concept of fiscal decentralisation. Haryanto and Tenrini (2021) opine that those oppose it bring up empirical difficulties that need to be dealt with by implementing well-thought-out fiscal decentralisation initiatives. As an example, in some countries, local authorities enforce taxes that can restrict free economic activity, as seen in the well-known restrictions on cross-border trade in South Asia (Pasichnyi et al., 2019). Although economists may express disapproval towards these taxes, their continuation is often a result of their effectiveness in generating consistent revenue for local governments, which have few other viable options. The existence of troublesome taxes should not discourage decentralisation; rather, it is advised to design the decentralised fiscal system in a manner that prevents local taxation from impeding growth and offers practical alternatives for local governments to generate income (Chygryn et al., 2018).

Additionally, the numerous obstacles related to fiscal decentralisation, such as the significant and widespread budget deficits of local administrations and their inability to repay debts, do not necessarily indicate a lack of accountability at the local level (Pasichnyi et al., 2019). Rather, these problems arise due to inadequately formulated intergovernmental fiscal institutions and regulations, along with a deficiency in the ability and motivation at both the local and central levels to guarantee the effective operation of the system (Vos & Voets, 2022). Suggesting that fiscal centralisation should be upheld due to these issues is comparable to advocating for the continuation of a dictator's rule instead of promoting the growth of democracy in nations where citizens may lack adequate education and understanding of democratic principles. Nantharath, Laochankham, Kamnuasilpa and Kang (2020) emphasise

the significance of tackling the fundamental reasons behind these difficulties by implementing suitable institutional structures and enhancing capabilities.

To sum up, analysts generally agree on the potential negative impacts of fiscal decentralisation on macroeconomics, including the risks involved and its potential to slow down growth (Pasichnyi et al., 2019). Nevertheless, it is important to highlight that a significant portion of the evidence backing up these assertions is based on personal stories and experiences, limited to particular and unusual situations, or relates to problems that can be fixed rather than those that are inherent. Nantharath et al. (2020) argue that finding the most suitable level of fiscal decentralisation relies on the particular circumstances of each country, and measures can be applied in almost all nations to reduce possible macroeconomic hazards. Development cannot be ensured solely through decentralisation and the lack of decentralisation does not necessarily hinder it (Mangnejo & Rahpoto, 2019). The difficulty lies in developing a properly organised system that enforces and motivates responsible financial actions within local government and also encourages a favourable atmosphere for private investment. The development of local government employees' skills to meet the system's demands is just as important as improving the abilities of central government officials to assist local governments in their progression towards increased independence (Chen et al., 2022). The matter at hand is a part of the wider problem related to the strategy of decentralisation. It involves figuring out what should be decentralised, when the appropriate timing for it is, and how to carry out the entire process.

2.6.9.3 Impact of decentralisation on income distribution

There is still a lack of research examining the effect of decentralisation on the distribution of income in developing nations. Chygryn et al. (2018) suggest that it is clear that when local governments within a highly decentralised system have varying fiscal capabilities, interregional redistribution becomes difficult. It is logical for the central government to bear the responsibility of redistributing resources, as it can effectively accomplish the desired results by implementing suitable national tax policies, intergovernmental transfers, and expenditure programs that specifically prioritise the most financially disadvantaged local governments. Bojanic (2018) argues that government activities and other transfer program types may offset re-distributional transfers. However, a limited body of evidence suggests that well-designed transfer programs can enable meaningful interregional redistribution (Martínez-Vázquez et al., 2017). Additionally, there is evidence that redistribution has been more successful in

decentralised federal nations like Brazil than in more centralised federations like Mexico, India, and Pakistan (Mangnejo & Rahpoto, 2019).

According to Waldo (2017), it is uncertain how decentralisation can affect inter- and intra-area inequality in local government jurisdictions. It is conceivable for local governments in poor nations to demonstrate internal progressivity in the way they fund local services, even though a major redistributive role for local government is improbable. Certain nations primarily levy property taxes, trading license fees, and charges for urban services on relatively well-off local merchants (Shin, 2018; Melnyk et al., 2018). The broader public, including the impoverished in metropolitan areas and the rural peasants who pay little to no municipal taxes, may benefit from these revenues by receiving critical services. A national standard for this kind of system might reduce the possibility of moving to avoid paying local taxes. As a result, some degree of local redistribution is possible without always causing negative impacts on spatial efficiency (Wangari, 2014).

2.6.9.4 Decentralisation and revenue generation

The literature has presented a number of purported advantages of decentralisation, the majority of which are related to raising the calibre and quantity of local revenue streams and services, better aligning local services with the preferences of local communities, and enhancing accountability (Chen et al., 2022). Decentralisation does raise overall and subnational spending on public infrastructure, according to a fairly recent research of ten developing nations (Gudeta et al., 2021). Concerns regarding local overspending from the national budget do not appear to be realised, leaving aside the question of whether spending increases enhance services. This is because spending increases do not appear to be directly correlated with transfers. Additional anecdotal data indicates that decentralisation appears to result in a true expansion of the kinds and degrees of services offered to local government constituents, especially in nations where little services were being provided at the local level (Defere, 2018). The primary impediment to the ongoing growth of local services under decentralisation seems to be an imbalance in the sources of income (including transfers) available to local governments and the growing number of service activities entrusted to them (Wiesel & Modell, 2014).

There is even less information available on whether decentralisation enhances service quality. In a major study, a large sample of developing countries (minimum of 75 countries per sector) is used to establish a set of objective indicators on this subject for three services that are usually

provided by the public sector: roads, electricity, and water (Bushashe & Bayiley, 2023; Ngigi & Busolo, 2019). Neither extremely promising nor depressing are the results. Aghion, Bloom, Lucking, Sadun and Van Reenen (2021) opine that in every industry under investigation, at least one indicator showed growth, with the exception of one measure in the electrical sector. Decentralisation, however, had no statistically significant effect for several indices. There has been evidence of a functional split in certain instances, where amenities are better provided centrally but operations are more economical and efficient when dispersed (Wiesel & Modell, 2014). Although country studies are uncommon, a recent research conducted in Kenya discovered that local administrations provide more dependable and easily available public water infrastructure services than does the centre (Gudeta et al., 2021).

This conversation leads to the following three key points. First, the question of whether decentralisation improves service delivery varies slightly depending on the nation and industry. Certain local-impact, low-capital-intensive service types are undoubtedly more likely to be effectively decentralised; however, the desirability of decentralising a particular function in a given country will vary depending on the available technologies, institutional structures, and local capacities (Aghion et al., 2021). Second, the majority of current objective studies on service quality concentrate on productive efficiency, such as if more services are offered for less money. Although some evidence to support this is explored below, questions about allocative efficiency—specifically, whether or not consumers are receiving the kind and calibre of services they desire and are prepared to pay for—are rarely given much thought. Third, the often high upfront transaction costs associated with implementing decentralisation initiatives and their relationship to anticipated benefits receive less consideration. It is clear that a great deal more research is required to fully understand how fiscal decentralisation affects the amount, scope, and sophistication of services provided (Melnyk et al., 2018).

2.7 Personnel provision and utilisation

The significance of a proficient and capable workforce cannot be overstated when it comes to executing procurement, funding, and supply chain management activities (Thornhill, 2020). In the context of public institutions, highly trained personnel become indispensable, especially considering the intricate nature of public procurement matters (Huda, 2022). The individuals tasked with the administration of procurement practices undergo rigorous assessment and appraisal procedures as stipulated by legal requirements. This process, overseen by the Department of Public Service and Administration (DPSA) and delegated to national

departments, encompasses human resources management and individual performance evaluation (RSA: DPSA, 2017).

Chapter 4 of the Handbook elucidates the intricacies of performance management and development for members of the Senior Management Services (SMS). It emphasises the alignment of individual quarterly performance reviews with the assessment of departmental strategic objectives and business plans, ensuring a cohesive link between individual and organisational performance (RSA: DPSA, 1999c). The Employee Performance Management and Development System (EPMDS) is introduced as a voluntary system aimed at facilitating performance management for salary levels 1 to 12 in departments and provinces that opt to adopt it (RSA: CoGTA, 2016b). Employee performance agreements are mandated for all employees within the first quarter of each performance cycle, and the development of individual performance appraisals is guided by departmental and component performance measures (RSA: DPSA, 2017a).

Continual monitoring of individual performance is a pivotal aspect of the process, enabling the identification of barriers and development needs in real-time (RSA: DPSA, 2017a). The annual assessment culminates in a final rating score that influences career advancements like pay progression and potential performance awards (RSA: DPSA, 2018). The evaluation instrument employed for performance reviews also doubles as the basis for probation, rewards, and skills development decisions (RSA: DPSA, 2017a). To ensure fairness and consistency, each department establishes a Departmental Moderating Committee (DMC) responsible for overseeing the performance management process, with representation from senior management and labour unions to provide valuable input (RSA: DPSA, 2017a).

In South Africa, public sector supply chain management (SCM) lags behind its private sector counterpart in terms of skills and knowledge. Public institutions often fail to recognise SCM as a strategic function, making it challenging to attract qualified professionals (RSA: National Treasury, 2015d). There is a pressing need for skills development and training in procurement, with programs designed to address both organisational and individual needs (RSA: DPSA, 2016). These programs should align with the Skills Development Act, 1998 (Act 97 of 1998), and may contribute towards qualifications under the National Qualifications Framework (RSA, 1998c). However, the current performance appraisal and management system, primarily aimed at compliance, falls short of enhancing the administration of procurement practices, as

evidenced by persistent unethical challenges in procurement environments. Moreover, delivering priority training programs for procurement practitioners, suppliers, and professionals remains an ongoing challenge (RSA: DPSA, 2017a).

2.7.1 Operational processes and methods

The ever-expanding activities within the public service, the growing stacks of paperwork, the rapid advancement of technology, and continuous research into administrative tools demand a thorough examination of existing procedures and methods employed by public institutions (Huda, 2022). Public-sector procurement managers must establish mechanisms to safeguard the integrity of public procurement processes. Procurement procedures, tailored to specific fields of work, often serve as the foundation within supply chain management units, determining how services are rendered or products are supplied. For example, they provide guidance on procurement or tender procedures and contracts.

Procurement methods and procedures lie at the heart of the administration of public procurement practices. The National Treasury issues practice notes, regulations, and guidelines concerning the administration of procurement practices. In 2011, the National Treasury issued the Preferential Procurement Regulations under the Preferential Procurement Policy Framework Act, 2000 (PPPFA). These regulations emphasised various aspects, including planning, preference point systems, designated sectors, pre-qualification criteria, functionality measurement, evaluation criteria, minimum qualifying scores, and the application of preference point systems. They also addressed issues such as broad-based black economic empowerment (B-BBEE) status, subcontracting, evaluation based on functionality and price, cancellation of tenders, remedies, tax clearance, and bidding documents (RSA: National Treasury, 2017b).

Guidelines issued by the government not only set standards of behaviour, ethics, and accountability for the public service but also reflect the government's commitment to a procurement system that supports the growth of sustainable small, medium, and micro-enterprises, contributing to the well-being of all South Africans (Mazibuko, 2020). However, the administration of procurement practices in the South African public sector and the importance of endorsing procurement ethics statements are still in a developmental phase. Efficient procurement, carried out cost-effectively, should be aligned with the procurement authority's goal of delivering value (Zwane, 2017). Without procurement ethics statements, the

procurement environment is at risk of encountering challenges. The periodic adaptation of guidelines is essential to ensure their relevance, preventing obsolescence and ensuring that they continue to promote productivity, effectiveness, efficiency, and value for money in standard work procedures (Abbas & Ahmed, 2016).

2.8 The public sector

The public sector is the primary component of the state. All governmental entities as well as any organisations that are owned by the general public or get funds from it are considered to be part of the public sector (Mazibuko, 2018). Public services are frequently made possible by three overlapping roles, such as a regulatory role, an enabling role, and direct supply of goods and services. According to Manyathi et al. (2021), ‘general government’ and public entities make up the majority of the public sector. The public sector includes all governmental, financial, and non-financial institutions because public entities can be both financial and non-financial. An entity is a legitimate business created to produce goods and services for the market. The shareholders who have the authority to choose the directors in charge of an organisation's general management jointly control the entities (Abegunde & Fabiyi, 2020). Public enterprises are publicly traded, locally based companies that are owned and/or run by governmental bodies (Smoke, 2015). The public sector is governed by the values and tenets of effective, efficient, transparent, accountable, and coherent government (Mazibuko, 2018).

Lapiente et al. (2020) define the public sector as everything that is majority owned by the state, including the general government and all financial and non-financial companies. According to Andoh and Ghansah (2019), the public sector is one that provides products and services, with decisions regarding its scope and activity being made by governmental organisations, which in a democracy implies by the representatives of the people. The organs of state and entities decide how to pay for issues of broad interest and estimate any additional expenses associated with their provision (Onyoin & Bovis, 2022). While businesses in the private sector earn money by selling goods and services, funding sources for government entities originate from taxes and other levies and have built-in external restrictions over their use. Andoh and Ghansah (2019) claims that public-sector procurement takes the expansion of small businesses, local economic development, fair competition, and openness seriously.

2.8.1 Local government's business support

According to Taneo, Noya, Melany, and Setiyati (2022), there are numerous variables that affect a commune's potential to thrive, but one that stands out is the strength and capacity of the local economy. It concerns the state of neighbourhood business organisations and their capacity to maintain current jobs and develop new ones for residents. Choi and Park (2021) assert that encouraging entrepreneurship leads to growth across the board for the self-government unit, improving residents' quality of life and enabling businesses to provide them with better or more affordable goods and services. The management of socioeconomic processes in a commune is therefore dependent on the local government's policies toward neighbourhood organisations and business groups (Ndiaye, 2018). A commune is a self-governing territorial unit, and as such, its authorities have the power to affect the business operating circumstances on its territory and to plan higher-level support activities (Abegunde & Fabiyi, 2020).

The current laws permit the autonomous territorial entities to carry out entrepreneurship support actions (Enaifoghe & Vezi-Magigaba, 2023). Because they are so close to and in constant contact with local business owners, local governments play a key role in the establishment of new enterprises. Given that a commune is closest to a citizen, that citizen is the subject for which it thrives (Yu, Nahm & Song, 2022). Because of this, local authorities are much more able to observe and comprehend the unique local circumstances surrounding business operations and needs than higher-level authorities. It is crucial to consider how the local authority of the commune feels about the growth of the local business community. By include additional withholding agents and municipal fee payers, this presents an opportunity to expand the income base (Bushe, 2019). Local business owners frequently link the terms that the local self-government affords them to their operations there. The local authority of a commune should constantly look for fresh approaches and motivate people to try new things in order to boost business potential and boost competitiveness (Abutabenjeh & Jaradat, 2018).

An abundance of research on the support of small and medium-sized businesses (SMMEs) in South Africa has focused on the functions that organisations like the Industrial Development Corporation (IDC), Department of Trade and Industry (DTI), and their subsidiaries play in helping SMMEs and has ignored the political power that the government derives its mandate from as well as the facilitative role that the government itself plays in helping SMMEs

(Adamowicz & Machla, 2016; Munzhedzi & Makwembere, 2019; Taneo et al., 2022; Enaifoghe & Vezi-Magigaba, 2023). These institutions are empowered to close existing gaps in enterprise development because they are not self-mandatory but rather founded under regulation.

According to Taneo et al. (2022), the government is the main source of a significant amount of support, mostly as a result of its regulatory and facilitative functions. Public-private partnerships (PPPs), which the private sector is playing a more and bigger part in, are gaining importance. According to Taneo et al. (2022), there are four primary categories of reinforcing factors that may be identified in South Africa's support for enterprise development: institutional infrastructure, money, non-financial support mechanisms, legislative, policy, and government strategy.

2.8.2 Government role

According to Taneo et al. (2022), the government is crucial, particularly when outside forces like the COVID-19 pandemic emerge. The market is unable to allocate resources effectively in this situation. One of the tenets of economics is that the government can increase market production. Porter (2015) asserts that the role of the government should be to act as a catalyst, supporting or even encouraging firms to improve their competitive performance. According to Choi and Park (2021), the first of ten principles that must be followed in the transformation of government administrative procedures with an entrepreneurial spirit is the role of the government as a catalyst.

The principle is further referred to as 'Catalytic Government: Steering rather than Rowing' (Choi & Park, 2021). Rather than directly doing all operational tasks, the government's position is more of a facilitator. Methods used to fulfil the role include tax incentives, subsidies, training, and other measures. As a moderator of the relationship between resilience and the performance of commercial organisations, Yu et al. (2022) claim that the government's involvement in this study is plainly to demonstrate. The government's engagement is actually a crucial factor for the growth of resilience and performance even in the absence of a crisis situation. Ndiaye (2018) state that the government plays a crucial part in enhancing enterprise performance by implementing laws to enhance infrastructure and energy services, encourage formal business registration, and broaden financial access for SMEs.

2.8.3 Business performance

Numerous researchers have long studied how businesses function (Munzhedzi & Makwembere, 2019; Taneo et al., 2022; Enaifoghe & Vezi-Magigaba, 2023). Taneo et al. (2022) define performance as the accomplishment or success of an activity. The ability of a corporation to execute optimal organisation with the goal of providing a product or service that satisfies the expectations of consumers and customers determines business performance, which is directly related to commercial success (Yldz et al., 2014). According to Enaifoghe and Vezi-Magigaba (2023), the success or failure of a company in attaining its goals is used to assess corporate performance.

Taneo et al. (2022) suggest four operational dimensions—time, quality, flexibility, and finance. Enaifoghe and Vezi-Magigaba (2023) further imply that customer satisfaction and human resources are important considerations in addition to these four aspects. Hudson et al. (2001) cited in Taneo et al. (2022), categories that are frequently used in studies to measure performance were categorised into six dimensions. These categories include product, performance, delivery reliability, waste, dependability, and innovation, which are all synonyms for quality. The time dimension can be divided into lead time, process throughput time, delivery reliability, process time, cycle time, productivity, delivery speed, labour efficiency, and resource usage (Abutabenjeh & Jaradat, 2018). Flexibility is exemplified by concepts like manufacturing efficiency, volume flexibility, resource usage, new product launch, future growth, computer systems, and product innovation (Bushe, 2019). Cash flow, overhead cost reduction, market share, inventory performance, sales, cost control, profitability, product cost reduction, and efficiency are all examples of how finance is represented. Terms that describe customer satisfaction include market share, integration with customers, service image, innovation, competitiveness, and delivery reliability. Last but not least, phrases like employee relationships, employee involvement, workforce, employee skills, learning, labour efficiency, quality of work-life, resource utilisation, and productivity are frequently employed in favour of the term ‘human resources’ (Enaifoghe & Ramsuraj, 2023).

2.8.4 Policy support

Munzhedzi & Makwembere, 2019 argue that the support that the South African government offers to businesses is largely regarded as the nation's endeavour to promote economic restructuring and reduce poverty. This recognition is the outcome of political and legal

commitment on the part of governments to support enterprise development through strategy and policy. Taneo et al. (2022) posit that enterprise development in local government is an example of a local economic development (LED) strategy, which strives to accomplish the local government's constitutional mission to promote economic development among other objectives. According to this report, business development is crucial to South Africa's economic growth, especially when it comes to reforming the economic foundation of local municipalities. The nature of local government as a whole will be impacted by any restructuring efforts made in relation to municipalities because they are local government institutions (Akpan, 2019).

2.9 Economic restructuring's context and synergy

Bushe (2019) assert that South Africa is a lower-middle income country with a developed urban economy and a less developed economy outside of urban areas. Class, gender, race, and space are the four main axes of inequality that divide this society. The local government of South Africa is very concerned about spatial inequality, which seems to get worse with economic expansion (Munzhedzi & Makwembere, 2019). The South African government has increased efforts to reduce the impact of geographical inequalities on local governance through law and other initiatives in order to diminish the effects of a rising economy that does not equitably meet the demands of all of its residents. Implementing LED, which among other interventions calls for SMME support, is an intervention whose potential has not yet been fully realised (Akpan, 2019).

Spatial disparities serve as the foundation for service delivery protests, which are frequently violent and perceived as a platform for voicing grievances by protesters in townships (Ngcamu, 2019). Towns and townships continue to remain geographically unequal, notwithstanding changes in local government organisation following the local government elections in 2000. Makwara (2019) concludes that South Africa's SMME sector, which has shown significant LED success abroad, is underperforming when compared to other nations in the similar economic bracket. Fewer SMMEs are established, maintained, and expanded in South Africa. Ayandibu and Houghton (2017) note that while the SMME sector of towns is well established as a result of an investment attractive environment in which they operate; that nurtures and increases their growth potential, small businesses across townships are classified as survivalist in nature and are exposed to severe challenges that hamper their growth potential.

According to Ngcamu (2019) and Ayandibu and Houghton (2017), discussions and research on economic restructuring in South Africa are limited to the national and metropolitan municipalities' agenda for economic restructuring and fail to acknowledge the supporting role that local economic-bases restructuring adds to the success of national economic restructuring efforts. Alfada (2019) highlights that this constraint does not give a complete view of the components of national economies or the variables that affect how they change. In truth, this restriction undermines the independence of local governments in South Africa, which is guaranteed by the South African Constitution. Local economic performance determines whether a nation's economy is growing or declining, and investing in local economic base restructuring is one strategy to restructure a nation's economy (Enaifoghe & Ramsuraj, 2023). Local economies are even more crucial as a result of this interdependence, which also serves as the conceptual foundation for national economic transformation. As a result, the national and local economy coexist and cannot be distinguished.

2.10 Challenges of politics-administrative interface in local government

The transition to democratic governance in 1994 under the leadership of the ANC prompted a series of policy and procedural changes aimed at reshaping government institutions (Alsop, 2022). This comprehensive transformation was driven by the dual goals of rectifying historical disparities and addressing the evolving needs of the populace. At its core, this initiative sought to align the ANC's objectives with governmental policies, tasking newly elected officials with the formidable challenge of redressing past inequalities and dismantling the legacy of institutional discrimination ingrained within the public service (Amagoh & Amin, 2012). To safeguard against the perceived threat of political subversion by disloyal holdovers from prior administrations, the ANC government introduced a policy known as 'political appointments' within the public service. However, this cadre policy, while prioritising political allegiance, inadvertently blurred the delineation of roles and responsibilities between political officeholders and administrative personnel. As a consequence, these entanglements have given rise to pronounced tensions, most notably manifesting at the local government level, where conflicts between politicians and administrators have become increasingly pronounced (Andoh & Ghansah, 2019).

Thusi and Selepe (2023) opine that the underlying causes of these tensions are multifaceted. Notably, they include the distinct political affiliations of Municipal Managers and Executive Mayors, a situation that often translates into divergent ideological outlooks and policy

preferences (Vos & Voets, 2022). Additionally, an overbearing influence of political authorities, particularly mayors, on the intricacies of supply chain management processes has been observed, potentially compromising impartiality and transparency in these critical operations. Furthermore, conflicts emerge when both the Executive Mayor and the Municipality Manager belong to the same political party, leading to power struggles and blurred lines of authority (Thusi & Selepe, 2023). Perceptions of salary disparities between political authorities, especially the Executive Mayor, and municipal managers can further intensify these tensions, giving rise to notions of inequity.

Administrators contribute to the strain by withholding essential information and stalling decision-making processes, fostering an atmosphere of secrecy and mutual distrust (Monkam, 2014). Hierarchical dynamics within the same political party, where municipal managers hold higher positions outside the municipality, can introduce an additional layer of complexity to these relationships (Thusi & Selepe, 2023). Finally, allegations of elected representatives meddling in administrative matters can exacerbate these disputes, potentially obstructing effective governance and the successful implementation of decisions within local government entities.

Due to these evident tensions within municipalities, the Presidential Review Commission contended that the 'cadre policy' should serve as an interim, rather than a permanent, feature of the public service. The Commission emphasised that future appointments should prioritise skills and competency over political loyalty, particularly as the threat of political interference diminishes. This viewpoint found resonance in the ANC's 8th January statement of 2011, as articulated by its President, Jacob Zuma (Gumede et al., 2019). The statement declared that senior municipal administrators in local government should refrain from holding executive leadership positions in political parties. President Zuma also affirmed the ANC's commitment to ensuring adherence to this principle within ANC structures and exploring additional mechanisms to address this challenge. Consequently, Parliament passed the Local Government: Municipal Systems Amendment Act in July 2011, reflecting these developments (Andoh & Ghansah, 2019).

The factors mentioned above create a deadlock in the interactions between politicians and administrators, severely impeding the municipality's capacity to deliver services to its

constituents. The government is firmly convinced that corrective measures are imperative to rectify this critical situation and advance its transformation goals (Mazibuko, 2018). Consequently, the political-administration interface in the South African context should not only acknowledge the historical legacy but also chart a new course that mitigates potential conflicts between politicians and administrators, prioritising the welfare of its citizens.

2.11 Chapter summary

This chapter examined into the empirical and theoretical literature to establish the foundation of our study. The core of this chapter revolved around key concepts in public administration, theoretical frameworks for comprehending devolution and service delivery, and the intricate dynamics of decentralisation and centralisation in resource management. The chapter included a comprehensive analysis of the intricate relationship between fiscal decentralisation and essential services, with a focus on its role as an enabler or obstacle in public service delivery. Furthermore, it examined the governmental justifications for centralisation or decentralisation decisions, shedding light on the allocation of authority and functions in service delivery, as mandated by the government. The next chapter focuses on the service delivery approaches.

CHAPTER THREE: SERVICE DELIVERY AND FINANCIAL IMPLICATIONS

3.1 Introduction

The preceding chapter covered key concepts in public administration, theoretical frameworks for comprehending devolution and service delivery, and the intricate dynamics of decentralisation and centralisation in resource management. This chapter presents a comprehensive review of the literature pertaining to service delivery and public financial management within the context of South African municipalities. It examines the legal framework governing service delivery in post-apartheid South Africa, emphasising the role it plays in shaping municipal practices. Furthermore, this review delves into the importance of enhanced skills and leadership in achieving effective service delivery, shedding light on the critical factors influencing administrative authorities' influence on municipal service provision. Additionally, the chapter scrutinises the financial challenges faced by district municipalities, offering valuable insights into the complexities of resource allocation and financial management within this decentralised framework.

3.2 Concept of service delivery

Human well-being refers to how well a society meets the needs of its citizens in a variety of spheres, including the physical, economic, social, environmental, emotional, and spiritual needs, as well as how well people perceive their own lives and the functioning of their society (Ndebele & Lavhelani, 2017). Governments that levy taxes on industry and the working class are typically in charge of providing these services to residents. Ubisi, Khumalo and Nealer (2019) opine that the delivery of services involves both the provision of tangible products and intangible services. It also includes the provision of public activities, benefits, or satisfactions. According to Fox and Meyer (1995) and Akinboade, Mokwena, and Kinck (2014), providing public activities, advantages, or satisfactions to residents is the definition of public service delivery.

In the context of South African local government, service delivery pertains to the equitable distribution of fundamental resources essential for citizens' well-being, encompassing necessities like water, electricity, sanitation, infrastructure, land, and housing (Ryan, 2023). According to the Constitution of the Republic of South Africa (1996), service delivery is defined as the municipality's sustainable provision of services to its communities. It also

encompasses municipal services crucial for maintaining an acceptable and reasonable quality of life, and their absence could pose risks to public health, safety, or the environment, as stated in the Local Government Municipal Systems Act 32 of 2000. To ensure the successful execution of service delivery, municipalities are required to establish comprehensive service delivery frameworks. A service delivery framework is a structured framework comprising principles, standards, policies, and limitations. Its purpose is to provide direction for the creation, advancement, implementation, operation, and eventual discontinuation of services supplied by a service provider (Ryan, 2023). The goal is to ensure a consistent service experience for a particular user community within a defined context. In essence, a service delivery framework represents the practical execution strategy derived from the service delivery agenda.

3.2.1 Service delivery protests

Service delivery in developing nations often faces significant challenges. Despite increased resource allocation, public service delivery continues to fall short in many developing countries (Ndebele & Lavhelani, 2017). Kimenyi (2013) similarly contends that providing quality social services like education, health, water, and sanitation remains a formidable obstacle for these nations. South African local government has not been exempt from these issues, with numerous municipalities plagued by poor service delivery, resulting in frequent, and sometimes violent, protests by residents demanding better services (Mpofu & Hlatywayo, 2015). Koelble and Siddle (2018) highlight that service delivery protests are a daily occurrence in the country. National Treasury (2011) attributes these challenges to declining public trust in municipalities, citing growing frustration with poor governance and corruption as factors contributing to subpar service delivery in many municipalities.

One approach to building municipal public trust involves municipal councils establishing mechanisms to engage with community groups, identify service needs and priorities, and foster structured partnerships among the council, management, labour, and the community. Masiya et al. (2019) suggested that this collaborative approach is more likely to enhance service delivery success. To facilitate this, Section 16 of the Local Government Municipal Systems Act (No. 32 of 2000) mandates that municipalities cultivate a culture of municipal governance that complements formal representative government with participatory governance. Municipalities are encouraged to create conditions for local communities to engage in

municipal affairs, including contributing to the preparation, implementation, and review of Integrated Development Plans.

3.3 Public accountability at the local government level

At the local level, maintaining public accountability is a fundamental pillar of any democratic system. Without being accountable to anyone, local authorities may be perceived as operating above the necessary governance, legal, and due process requirements that serve as essential checks and balances against potential abuse of power within the lowest tiers of government (Arif & Ahmad, 2017). In South Africa, local government has been gradually taking shape since 2000 in an effort to align with Chapter 7 of the Constitution, encompassing sections 151 to 164. However, a significant challenge in developing integrated local government structures has been the apparent disconnect between formal local government entities (municipalities) and traditional leaders, as delineated in sections 211 and 212 of the Constitution. This separation may create an impression that traditional authorities are unrelated to the sphere of local government (Asenahabi, 2019).

Some argue that during the Government of National Unity (GNU) era, traditional authorities felt ‘neglected by the South African government.’ This sentiment continues to be expressed by many traditional leaders even in the contemporary era (Picard & Mogale, 2015). However, it is essential to note that comparing the neglect or marginalisation of traditional authorities to that of the apartheid era is a complex matter. Several changes have occurred over time, including the establishment of Houses of Traditional Leaders in certain provinces. Nevertheless, the extent of their influence on governance and their role in the policymaking process remains a subject of debate and contention, contributing to what is often referred to as the ‘rural governance problem’ (Picard & Mogale, 2015).

3.3.1 Rurality in South Africa

In order to provide context for the discussion on service delivery in rural municipalities, it is essential to offer a brief overview of what constitutes rurality. The Rural Development Framework (1997), as referenced by the National Treasury (2011), identifies two primary characteristics that define rurality in South Africa. This includes sparsely populated regions where residents are engaged in farming or rely on natural resources, encompassing villages and small towns scattered across these areas. Additionally, it encompasses areas with sizable

settlements in the former homelands, which rely on migrant labour, remittances, and government social grants for sustenance, often characterised by traditional land tenure systems.

Ndebele and Lavhelani (2017) contend that rural areas, in particular, tend to exhibit lower income levels, fewer job prospects, more restricted access to educational and training facilities, and reduced availability of public transportation and healthcare services. Rurality, within this context, is defined and framed in relation to urban areas, with underlying assumptions of disparities and shortcomings forming the basis of this distinction (Oosthuizen & Thornhill, 2017).

For example, while urban poverty exists, it is accompanied by better support structures, infrastructure, and a higher likelihood of receiving assistance through social services compared to rural regions (Masegare & Ngoepe, 2018). Such forms of support are often lacking or inaccessible in rural settings. According to the Department of Local Government (2017), the concept of rurality in South Africa is closely tied to the historical apartheid regime and its structures, which generated conditions of oppression, deprivation, disadvantage, and deficit among various social groups, resulting in inadequate resource allocation. As noted by the HSRC (2005), the remnants of apartheid are still palpable, and individuals' experiences in rural communities are marked by undesirable circumstances, including isolation, neglect, and insufficient resource allocation.

3.3.2 Professionalising the State

Given this context, it becomes paramount to prioritise the professionalisation of state administration as a means of contributing to the development of a just society. This emphasis arises from the fundamental objective of enabling the government to carry out its functions optimally (Hanabe, Taylor & Maclean, 2017). To achieve this, it is crucial to address the factors identified in the National Development Plan that undermine the state's capacity. Professionalising state administration involves a process of socialisation that bestows professional status upon individuals who have received appropriate education and engaged in scholarly research with practical value, ultimately nurturing intellectual capital for the effective management of public affairs. It encompasses the delineation of a public service ethos and normative standards, the establishment of relationships with other professional fraternities, and the cultivation of thought leadership (Asenahabi, 2019).

The concept of public service ethos has always played a significant role in the evolution of public administration. It encompasses values such as ‘selflessness, integrity, objectivity, accountability, openness, honesty, and ethical leadership’ (Maserumule, 2019). These values are socially constructed and hold critical importance in shaping a normative public service culture deeply rooted in the concept of the public interest, which can be simply defined as the commitment to addressing all facets of societal well-being. A tangible measure of the impact of this commitment is the level of citizens' happiness (Arif & Ahmad, 2020).

Sibanda (2017) underscores the essence of the public service ethos by emphasising that working for the government entails recognising a shared responsibility to act as guardians, protectors, or advocates for the well-being of all individuals, regardless of their identity, while striving to achieve the greater good for society as a whole. Similarly, Schoute, Gradus, & Budding (2021) stress the significance of the public service ethos in defining actions that serve the betterment of society, thereby providing a crucial normative foundation for the professionalisation of public administration. The author argues that the sense of serving the public, working for the state, and engaging in meaningful activities within this context, all while contributing personally to the welfare of the public interest, holds significant value in shaping the behaviour of public administration professionals in accordance with established norms and standards.

Ndebele and Lavhelani (2017) emphasise the sanctity of public service, with its custodians expected to consistently pursue the common good. Shai (2017) defines the common good as ‘any benefit that, when provided to one person, is unavoidably provided to everyone, and from which it is impossible or impractical to exclude anyone.’ The professional orientation of state officials should epitomise a profound dedication to public service as an honourable vocation, in which professionalism ensures that the government can transition smoothly and efficiently with minimal disruption (Hanabe et al., 2017). A professionally oriented state official embodies altruism in assuming the role of being the guardian of the public interest or the steward of the collective well-being (Aklilu & Makalela, 2020). This encapsulates the overarching objective of professionalising public administration – the practice of altruism in the service of the state.

3.3.3 Municipal financial management

Financial management primarily concerns the perspective of those overseeing resources (Maphunye, 2017). It involves judiciously handling public funds, requiring a blend of fiscal

prudence, expenditure transparency, and resource efficiency. Public financial management, therefore, denotes the process through which a public entity acquires and allocates resources or funds based on specified priorities. It then employs methods and checks to effectively meet predetermined public needs (Reddy & Mohapatra, 2017). This encompasses all the decision-making and operational activities carried out by public officials to optimally utilise scarce resources for accomplishing political goals in an efficient and effective manner (Schoute et al., 2021). Municipal councils, as stewards of public funds, bear the responsibility of being answerable to the electorate. Thus, maintaining control and accountability is imperative for all public entities (Masiya et al., 2019).

Furthermore, robust municipal financial performance necessitates having management and control systems in place to provide transparency regarding the municipality's performance. The budget, a pivotal public policy document, outlines the government's intentions for revenue generation and resource utilisation in a fiscal year (Pareek & Sole, 2022). An annual Service Delivery and Budget Implementation Plan (SDBIP) offers updates on the progress of budget implementation on a quarterly basis. Consequently, the SDBIP functions as a regular status report on the advancement of the Integrated Development Plan (IDP), spanning a five-year period (Thornhill, 2020).

Pareek and Sole (2022) suggest that a sound public financial management forms the bedrock of socio-economic development, as it directly impacts the government's developmental endeavours through the efficient allocation and utilisation of financial resources. It entails the interplay between revenue and expenditure of public funds in a manner that most aligns with the public interest (Hanabe et al., 2017). The overarching objectives of public financial management are to uphold fiscal discipline, allocate resources to pressing needs, and ensure the effective and efficient delivery of public services (Hanabe et al., 2017). Akpan (2019) argues that a sound system supports aggregate control, prioritisation, accountability, and efficiency in managing public resources for service delivery, essential in realising public policy goals.

A public financial management system encompasses the structures and processes governing decisions about the allocation and administration of public resources (Pareek & Sole, 2022). This core includes budget planning and preparation, appropriation, budget execution, accounting and financial reporting, as well as audit and evaluation (Hanabe et al., 2017).

Sibanda (2017) further expands this to include activities such as revenue and expenditure forecasting, Medium Term Expenditure Frameworks (MTEF) formulation, aligning the budget with policymaking, executing the budget, cash management, internal controls and audits, accounting and reporting, procurement of public goods and services, asset management (Supply Chain Management), and conducting external audits with oversight. This approach underscores accountability for outcomes, integrating budgeting and financial management into a performance management framework. Thus, financial management holds a pivotal role in public administration (Pareek & Sole, 2022). It operates within the framework of national and provincial Treasury guidelines, Generally Recognised Accounting Practices (GRAP), performance auditing and accounting procedures, as well as functions performed by the Auditor-General (Van der Waldt, 2019).

In local government, entities such as the Municipal Public Accounts Committees (MPAC), Internal Audit, Audit and Risk Committees, and the permanent position of Chief Financial Officer (CFO) serve as vital checks on municipal finances (Pareek & Sole, 2022). Sections 165 and 166 of the MFMA mandate municipalities to establish Internal Audit Units and Audit Committees to achieve sound financial management. Additionally, Section 79 of the Local Government: Municipal Structures Act (No. 117 of 1998) requires the establishment of MPACs, tasked with overseeing financial matters on behalf of the municipal council.

Sibanda (2017) posits that various pieces of legislation provide a comprehensive legal framework for financial management in the South African public sector. Section 216(1) of the Constitution establishes a National Treasury responsible for setting measures to ensure proper expenditure control across the three spheres of government. Section 195 of the Constitution underscores the importance of efficient, economic, and effective use of public resources in public administration. To enhance sound financial management, controls should prioritise the prudent use of available resources, encompassing both human and financial resources (Dweba, 2017).

The Municipal Finance Management Act (No. 56 of 2003) (MFMA) places a strong emphasis on economy and efficiency in delivering outputs that align with societal needs. Sections 83(1) and 107 of the MFMA stipulate specific competency levels for the accounting officer, senior managers, the CFO, and other officials. This requirement is in alignment with a Treasury circular on Municipal Regulations on Minimum Competency Levels, implemented in 2013. It

stipulates that ‘no municipality or municipal entity may employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of the regulations’ (South African Local Government Research Centre, 2012:11; Sibanda, 2017:320). This initiative aims to reform public financial management practices in South Africa, with the key goals of ensuring financial sustainability at the local government level and facilitating the practical implementation of cooperative government. Financial management stands as a cornerstone in the control process. Additionally, it is closely linked with an effective control process, ethical conduct, and financial accountability. Mazibuko (2018) argues that robust controls play a central role in upholding high levels of ethical performance in public organisations.

3.3.4 Ethics in public financial management

Legislation, policy, and established public service norms are the sources of public service ideals, obligations, and standards, which in turn flow from them (Keita & Turcu, 2019). Sibanda (2017) opines that the Greek term *ethikos*, which implies custom, is where the word ‘ethics’ gets it from. The Latin term *mors*, which translates to ‘custom’ or ‘more,’ is the Greek word's synonym or equivalent. Plato and Aristotle, two early Greek philosophers, defined ‘ethics’ as ‘what we ought to do’ (Fatile, 2014). Ethics, according to Aristotle, was a moral virtue that people may acquire through experience and education (Grind, 2007:238). Sibanda (2017) suggests that the philosophical discipline of ethics is concerned with analysing and evaluating human behaviour to ascertain the underlying principles that decide whether it is good or bad, right or wrong. According to Ndebele and Lavhelani (2017), ethics is both a science of morals and a system of morals that establishes the rules or principles by which men should conduct their lives. When making decisions, ethics calls for judgment and reasoning that raises issues of right and wrong, morally good or improper, and just or unfair behaviour (Fatile, 2014).

Instead of being an empirical science that tries to describe how things are and how they behave, ethics is a normative science that aspires to state how human beings should behave (Lavhelani & Lavhelani, 2023). In essence, moral principles and legal requirements overlap with ethics (Fourie, 2019). Thus, ethics can be considered holistically in light of a set of values (core beliefs) or aspirations that direct or inspire behaviour. The teleological and deontological theories are the two main normative categories for ethics. The former is a translation of the Greek word *telos*, which denotes a goal or purpose. According to Asenahabi (2019), a person's

moral character is determined by how much their acts really benefit or harm other people. ‘Right’ actions are those that result in more benefits than harms; ‘wrong’ actions do not. The philosophy of utilitarianism, often known as the ‘principle of utility’ or the ‘greatest happiness principle,’ which was developed by John Stuart Mill (1806–1873) and was based on the work of British philosopher Jeremy Bentham (1748–1832), best exemplifies this point of view. According to this school of thought, a decision is morally correct if it promotes the overall happiness of the parties involved. Numerous words can be used to define happiness, including advantage, benefit, good, pleasure, and satisfaction.

The basis for the second hypothesis is the Greek word ‘deon’, which signifies obligation. Immanuel Kant is a well-known intellectual who is affiliated with this philosophy. By emphasising on the interior, particularly the intellectual, side of human behaviour, Kant judges the morality of deeds (Sibanda, 2017). Pillay (2016) proposes that the only thing that is essentially good is a good will, or an action motivated by duty and reason. Thus, there is intrinsic moral value in actions. Accountability, trustworthiness, caution, responsibility for practices, and compliance with the law are examples of behaviours that are seen as naturally good; conversely, dishonesty, conflicts of interest, excessive spending, embezzlement, and manipulation are examples of actions that are seen as fundamentally negative. Fatile (2014) claims that no matter how much ‘good’ results from a conflict of interest, for instance, a deontological thinker contends that the activity will never be morally appropriate. Like utilitarian theories, Kantian ethical theories centre on how fairness or, more precisely, the idea of ‘duty’ should be understood (Mensah, 2020).

According to Fourie (2019), ethics is the tenacious pursuit of values including justice, fairness, respect for individual rights, due process, equity, and the pursuit of the common good. The United Kingdom Committee on Standards in Public Life's publication titled ‘the seven principles of public life’ is cited by Pillay (2016). The most crucial of these values for a public official is selflessness (Sibanda, 2017). He emphasises duty before self, as in the utilitarian theory of Kant, and the other principles follow from the adoption of that particular value. According to Chitimira, Sethunyane, and Magau (2023), in the context of good governance and public administration, ethics could be viewed as a collection of values, obligations, moral principles, attitudes, and norms that serve as conduct and behavioural rules that must be adhered to by public representatives and public officials to ensure that their actions are consistently directed toward the promotion, achievement, maintenance, and enhancement of

the general well-being. Therefore, ethical behaviour is essential to good public financial management since it encourages public responsibility. As a result, Fourie (2019) sees ethics as the rules, ideals, and principles that direct people's behaviour and deeds.

Chapter 6 of the Public Administration Act (No. 11 of 2014) underscores the importance of ethics, integrity, and discipline in the public sector. It mandates the creation of the Public Administration Ethics, Integrity, and Disciplinary Technical Assistance Unit, as outlined in Section 15(1). This unit's responsibilities are delineated in Section 15(4)(a-f). Concerning local government, Section 15(7)(c) of the Act empowers the Unit to carry out its functions, as specified in subsection (4), for a municipality under the following circumstances: with the Municipal Council's agreement, upon the Municipal Council's request, or at the request of the relevant Member of the Executive Council. This applies particularly to investigations envisaged in Section 106(5) of the Municipal Systems Act (No. 32 of 2000). Chapter 8, Section 17(1) of the Public Administration Act (No. 11 of 2014) establishes the Office of Standards and Compliance.

According to Section 17(6)(a), the Office's goals are to ensure compliance with the minimum norms and standards established by the Minister under Section 16 while taking into account the distinct, interdependent, and interrelated nature of the various spheres of government (Sibanda, 2017). To do this, the Office monitors how well institutions adhere to these minimum standards in public administration. Municipalities' low performance has been attributed in large part to unethical behaviours, both in the financial and performance domains (Mensah, 2020). Corruption, which takes many forms, including bribery, embezzlement, fraud, extortion, abuse of power, conflict of interest, favouritism, and nepotism, is the antithesis of good governance in public financial administration. According to Fourie (2019), corruption causes public monies to be misappropriated, utilised to enrich a chosen group of people or organisations, or redirected from government revenue to private gain. Nepotism, favouritism, abuse of authority, insider trading, as well as theft and extortion, are incompatible with good governance in public financial management (Chitimira et al., 2023). According to Van Niekerk and Sebakamotse (2020), non-compliance with laws and regulations is another major cause of unethical behaviour. This makes it possible for favouritism and nepotism to affect hiring decisions.

Inadequate internal controls in municipal financial management systems undoubtedly lead to an increase in fraud and corruption cases in local governments (Aklilu & Makalela, 2020).

Municipalities' ability to accomplish their goals is obviously jeopardised by this, as public money is unlawfully diverted from their intended use in order to advance the offenders' personal gain (Schoute et al., 2021). Municipalities struggle to function because of a lack of accountability and the absence of strong disciplinary procedures. Senior management's lack of commitment to enhancing compliance and performance is also a result of the lack of sanctions for unethical behaviour and subpar performance (Pretorius, 2017).

In order to prevent conflicts of interest and ensure that all Supply Chain Management Practitioners and other role participants in supply chain management procedures make the appropriate declarations, Treasury Regulation 16A of 2005 was created (Fourie, 2019). As a result, according to National Treasury Practice Numbers 4 of 2003 and 7 of 2009/2010, members of the bid committee are expected to sign the code of conduct and disclose their economic interests on an annual basis. Each bid/tender that a member of the bid committee deals with must be disclosed, and a record of this information must be retained for audit reasons (Schoute et al., 2021). The code of conduct for council members and municipal staff personnel is set forth in Schedule 1 of the Municipal Systems Act (No. 32 of 2000). In other words, it directs the behaviour of municipal authorities who are appointed and elected. Accountability is a crucial aspect of public financial management in order to guarantee effective and efficient spending.

3.3.5 Municipal financial accountability

Accountability as an ethical term has a variety of connotations (Van Niekerk & Sebakamotse, 2020). It is frequently used in conjunction with ideas like accountability, enforceability, blameworthiness, responsibility, and other terms that refer to the expectation of providing an account (Chitimira et al., 2023). Public leaders must be held accountable for their policies, actions, and use of public monies under the principles of responsibility and accountability, which are closely tied to one another. Sustainable development, poverty reduction, and the efficient use of limited resources all depend on transparent and accountable public financial management. Accountability is the responsibility to identify, defend, and justify behaviour (Thai, 2017). Financial accountability refers to the responsibility of the person or people in charge of managing funds, as well as those in positions of trust such as those holding public office (Fourie, 2019).

Political accountability and administrative accountability are two additional characteristics that are closely related to financial accountability (Lapiente & Van de Walle, 2020). Political accountability refers to a system of checks and balances that regularly and transparently punishes or rewards people who hold positions of public trust. On the other hand, administrative accountability entails control mechanisms that are internal to the government and consist of expectations for public service, rewards, moral standards, and administrative reviews (Fourie, 2019). Thus, the basis of Western democracy's intellectual, constitutional, and legal traditions is financial accountability in the handling of public funds. In public affairs, democratic theory emphasises the importance of values and accountability. The foundation of Locke's thesis of the superiority of representative democracy is the idea that accountability can only exist when the governed and the rulers are kept apart (Sambo, 2021). Accountability is connected to the act of discretionary governing and is often believed to mean the authoritative distribution of resources and the exercise of control and coordination (Arif & Ahmad, 2020).

This in turn emphasises how important it is to have a clear locus of authority. In this context, Rosa and Morote (2016) claimed that when no one knows who is responsible, accountability is null and void; there must be one individual who is given all credit for good work and full responsibility for bad work. Rulashe and Ijeoma (2022) argue that accountability is the capacity to provide an adequate analysis and justification of one's actions in the course of carrying out one's duties at all levels, whether technical, administrative, political, financial, or otherwise. According to Van Niekerk and Sebakamotse (2020), accountability is based on both giving an account and being held responsible. Responsibility, integrity, democracy, fairness, and justice are all attributes associated with accountability.

Sibanda (2017) opines that the idea of responsibility requires two separate phases: answerability and enforcement. Answerability is the responsibility to inform the public and institutions of supervision of decisions and actions, as well as to provide justifications. On the other hand, enforcement refers to the idea that the public or institution in charge of accountability can penalise the violator or change the behaviour that is in violation (Rosa & Morote, 2016). Due to its promotion of solid municipal financial management and good governance in public affairs, accountability is therefore a vital factor in determining the condition of governance (Chitimira et al., 2023). According to Sibanda (2017), accountability must be concerned with making sure that persons in positions of power use their power appropriately so that they can be held responsible for their deeds or inactions.

Therefore, the requirement in democracies is that there must be a clear system of administrative accountability as well as the prudent use of power and authority. Thus, it is possible to see accountability and good governance as two sides of the same coin in this situation (Sethunyane, 2021). Therefore, accountability encourages responsible spending and moral leadership (Sibanda, 2017). In this sense, accountability establishes who is responsible for what and what types of behaviour are prohibited. Therefore, an official's ethical behaviour must be impeccable in order for it to be held accountable to the public (Fourie, 2015). Therefore, Fourie (2019) argues that it is crucial to build efficient control systems in order to ensure accountability for solid public financial management. He argues that it's crucial to provide timely, impartial, defensible, and balanced information to the pertinent parties. Additionally, it is crucial to maintain an efficient system of financial control and to keep accurate records and accounts (Motubatse, Ngwakwe, & Sebola, 2017).

Accountability and oversight are most successful when they are acknowledged as such by individuals in positions of authority (Sethunyane, 2021). Improvements in performance and service delivery, protection from unethical behaviour, resource mismanagement, and power abuse, as well as increased integrity and public trust in local government are the main goals of accountability and oversight in municipal financial management (Rulashe & Ijeoma, 2022). Therefore, it is expected that municipalities create Municipal Public Accounts Committees (MPACs). The Municipal Structures Act's Section 79 specifies how the MPAC is chosen. The MPAC immediately reports to the municipal council, and the MPAC chairperson works closely with the speaker to ensure that the MPAC's reports are included in the meeting. Assuring effective governance in the municipality and exercising supervision over the executive functionaries of council are the two goals of the MPAC (Motubatse et al., 2017). However, the Municipal Systems Act (No. 32 of 2000)'s regulations regarding Section 59 should be followed when formally transferring MPAC duties.

The Municipality's System of Delegations must contain the delegations. The Municipal Public Accounts Committees (MPAC) play a crucial role in examining various aspects outlined in the MFMA. These aspects include unforeseen and unavoidable expenditure (Section 29), unauthorised, irregular, or fruitless and wasteful expenditure (Section 32), and the quarterly report of the mayor on budget implementation and the municipality's state of affairs/SDBIP (Section 52(d)). MPAC also scrutinises monthly budget statements (Section 71), mid-year budget and performance assessments (Section 72), and mid-year budget and performance

assessments of municipal entities (Section 88). Additionally, they review disclosures related to councillors, directors, and officials (Section 124) and oversee the submission and auditing of annual financial statements (Section 126). MPACs address issues raised by the Auditor-General in audit reports (Section 131) and monitor the disciplinary actions taken in accordance with the MFMA. They also ensure that all declaration of interest forms are annually completed by councillors, as stipulated in Section 54, in conjunction with Item 7 of Schedule 1. These committees play a vital role in promoting good governance and enhancing municipal performance.

3.4 Legal framework governing service delivery in post-apartheid South Africa

Post-apartheid South Africa has taken steps to ensure that access to efficient public services is no longer perceived as a benefit enjoyed exclusively by a select few in the community but rather as a legal entitlement of all citizens, particularly those who were previously disadvantaged (Sibanda, 2017). The Republic of South Africa's Constitution of 1996, the White Paper on Transforming Public Service Delivery, the White Paper on Local Government, the Municipal Structures Act of 2000, and the Local Government Municipal Systems Act No. 32 of 2000 are just a few examples of the legislation and guidelines that have been passed since 1994 to provide guidance to local government municipalities that are responsible for changing service delivery in the nation.

3.4.1 Constitution of the Republic of South Africa, 1996

The Republic of South Africa's 1996 Constitution requires local government to offer democratic and responsible governance for local communities, which should include fostering social and economic growth and community involvement (Arif & Ahmad, 2020). The local government is required under its developmental mission to prioritise the community's fundamental requirements, to be development-oriented, to be receptive to the needs of its constituents, and to promote citizen participation in policymaking (Pretorius, 2017). Municipal councils are required by the Constitution to make sure that services are provided to their municipalities in a sustainable manner (Maphunye, 2017).

3.4.2 Municipal Structures Act, 1998 (Act 117 of 1998)

The establishment of municipalities in accordance with the provisions of the Structures Act further solidifies the bond between the district and its surrounding municipalities through mutual assistance and cooperation. According to Section 83 of the Structures Act, a district

municipality must ensure that integrated district planning encompasses the entire district area in order for there to be a separation of powers and functions between the district and local municipalities. This planning should improve the district-wide socioeconomic development and sustainability of service delivery (Magagula, Mukonza, Manyaka & Moeti, 2022). The district is responsible for overseeing the development of bulk infrastructure and must make sure that resources are dispersed fairly among the local municipalities in order for services to be provided at the proper levels. The district should help its local municipalities build capacity where it is needed so they can perform and exercise their responsibilities. According to Section 23 of the Structures Act (1998), local municipalities nominate councillors to represent them in the district council. These council members work to ensure that the district and local municipality's plans and programs are coordinated and to bring important issues impacting the local municipality to the district's attention. In accordance with Section 88(3) of the Structures Act, the Member of the Executive Council for the Department of COGTA is required to help the district so that it can offer assistance services to struggling local municipalities.

3.4.3 Municipal Finance Management Act, 2003 (Act 56 of 2003)

The MFMA, 2003 was created in conformity with the Constitution and went into effect in 2004. In order to improve financial management practices and municipal financial accounting, to streamline budgets, and to position local government finances on a sustainable footing so that municipalities' ability to provide services to communities may be maximised, the MFMA has been aligned with other local government legislations (National Treasury of South Africa 2011). The annual municipal budget must be approved by the municipal council within 30 days of the beginning of the fiscal year, and the accounting officer of the municipality is responsible for submitting the approved budget to the federal and provincial treasuries (Asenahabi, 2019). The MFMA, Circular 32 of 2006, included provisions for the creation of the Municipal Public Accounts Committee, which aims to strengthen the role of the municipal council in order to ensure accountability of the executive and the municipal administration and to guarantee that municipal resources are used as effectively as possible (Van Niekerk & Dalton-Brits 2016). Adequate personnel and financial resources are required for the district municipality to fulfil the constitutional and statutory mandates in regard to its roles and responsibilities in local government (Magagula et al., 2022).

3.5 Enhanced skills and leadership for effective service delivery

Effective leadership, as per the Batho Pele Principles, is crucial for successful organisations (Reddy & Mohapatra, 2017). Pretorius (2017) underscores the significance of staff training and development, highlighting that skilled, capable, and visionary leaders are essential for fostering a workforce that shares organisational values and is willing to deliver quality service.

The African National Congress (ANC) has attributed its post-1994 challenges to the failure to implement the cadre deployment policy in South Africa (Reddy, 2016). The ANC asserts that ideological, academic, and ethical training, along with political preparation, should be the foundation of cadre deployment. The party emphasises the need for rigorous monitoring and evaluation of deployed cadres before their elevation to leadership positions, with academic qualifications being a vital component (ANC, 2012). Despite the ANC's decisions and recommendations, little change has occurred, leading to detrimental effects on local government and service delivery (Reddy et al., 2020). Service delivery protests persist, and the outcome of the 2019 local government elections may serve as a wake-up call to the ruling party.

3.5.1 Municipalities' choices of service delivery modes and service characteristics

Starting in the late 1970s and early 1980s, many OECD and other countries began privatising local service delivery, often as part of the 'New Public Management' (NPM) reforms, which emphasised contract-based relationships and explicit manager accountability (Twinomujuni et al., 2022; Hood 1995). Academia has extensively studied the contracting out of local services since the 1980s, often influenced by public choice theory. This theory suggests that monopolising services leads to overproduction and inefficiency, while contracting out reduces spending (Reddy, 2016). Empirical evidence, such as in Italian local utilities, supports this idea by showing significant cost reductions through privatisation (Garrone & Marzano, 2015).

However, transaction cost theory introduced a nuanced perspective, arguing that the savings from contracting out may sometimes be outweighed by transaction costs, including administrative expenses and costs related to incomplete contracts due to monitoring and control activities (Rulashe & Ijeoma, 2022). Brown, Potoski, Van Slyke (2017) studied 1,586 U.S. municipal and county governments and found that service characteristics play a crucial role in understanding transaction costs and the contracting-out process. Their focus was on two service characteristics. The first, asset specificity, deals with whether specialised investments are necessary for service production (Rosa & Morote, 2016). The second, service measurability,

pertains to how easily the contracting organisation can measure service outcomes or monitor service delivery activities (Masiya et al., 2019). High asset specificity can discourage service providers, while greater service measurability reduces the risk of vendor non-performance or negligence. Ndebele and Lavhelani (2017) discovered that higher asset-specific investments tend to favour in-house production, while greater service measurability encourages outside contracting.

3.5.2 Political characteristics

The influence of political characteristics on contracting-out decisions is a widely studied but inconclusive subject. The common expectation is that conservative parties tend to favour privately delivered services compared to socialist or social democratic ideologies (Petersen, 2015). However, this hypothesis isn't consistently supported in all empirical studies, with a focus on garbage collection in many cases (Laustsen & Petersen, 2017). Schoute et al. (2021) demonstrated through meta-regression that the influence of political ideology may be context-specific. They found that ideology plays a larger role in larger U.S. cities and, to a lesser extent, in European cases. Cuadrado-Ballesteros and Bisogno (2019) showed in Spain that specific forms of contracting out, like corporatisation and foundations, are more likely to be initiated by right-wing politicians.

Plata-Díaz et al. (2019) confirmed for Spanish waste collection that left-wing political parties prefer public waste management forms over private ones. Yu et al. (2022) expanded this analysis by considering political instability, showing that higher instability leads to externalising services, shifting responsibility to external agents. In the Netherlands, Schoute et al. (2021) found only weak evidence for ideological motivation in choices between public and private waste collectors. When analysing changes in service delivery modes for garbage collection in Dutch municipalities, Gradus and Dijkgraaf (2017) found that ideology does indeed matter: conservative liberals and orthodox Protestants tend to favour change, particularly towards the market and privatisation, while social democrats are inclined against change, interestingly even towards privatisation and reverse privatisation.

Reddy (2016) carried out research on the Netherlands using a novel method to operationalise political variables. This meant that while making choices about outsourcing, both the political preferences of the ruling political parties (represented by the aldermen) and the political preferences of the electorate were taken into account. Similar to this, Schoute, Budding and

Gradus (2018) have developed three models that describe how political ideology can affect outsourcing decisions. According to the Citizen Candidate model (Schoute et al., 2018), voters support the party they believe will be in power during the next election because they want their preferred policies to be implemented. This model makes the assumption that the preferences of the ruling parties, in our example, the political parties that elect the aldermen, will have an impact on policy decisions. As a result, it is anticipated that right-wing aldermen will be more likely than left-wing aldermen to use outsourcing to a greater extent.

When it comes to contracting out, politicians can gain benefits from in-house production, including local employee utilisation and increased support from public employee unions (Schoute et al., 2021). In a political context, Imsen, Blossing, and Moos (2017) examined the use of private contractors for primary education in Sweden. They discovered that municipalities with a right-wing majority tend to prefer contracting out more than left-wing majority municipalities, supporting the Citizen Candidate model. Other models didn't receive similar support. Gradus and Budding (2020) found some evidence of ideological motivation for changing the garbage collection method in Dutch municipal councils and among aldermen. Conservative liberal councilmembers favour change, especially toward the market and privatisation, while social democrat councilmembers resist change. For conservative liberal aldermen, they also found negative effects for changing from the market and reverse privatisation, whereas other political parties showed no or weak effects. In summary, though not definitive, most studies suggest that political bodies led by right-wing politicians tend to prefer contracting out to private firms more than those led by left-wing politicians (Reddy & Mohapatra, 2017).

3.5.2.1 Impact of political involvement in recruitment

The majority of municipal employees, according to Schoute et al. (2018), are allegedly politically deployed without adhering to the recruitment and selection policies and procedures. Masegare and Ngoepe (2018), on the other hand, defined it as subpar succession planning and rapid changes in municipal leadership. According to Rulashe and Ijeoma (2022), the delivery of municipal services faces significant difficulties due to a lack of essential and hard-to-find skills like technical proficiency. Additionally, Kalonda and Govender (2021) discovered that a lack of trained people is a factor in the poor upkeep of the road infrastructure and the provision of inadequate water. Specifically in crucial areas like finance, technical services, and management level, Masegare and Ngoepe (2018) found administrative incompetence in

municipalities. According to Masegare and Ngoepe (2018), this is a result of the shrinking professional workforce in municipalities and the weak connections between higher education and local government.

Van Niekerk and Dalton-Brits (2016) assert that political leadership lacks the motivation to exercise effective leadership to direct and guide performance management and development, and the 2018 report on Audit Outcomes on Local Government supports this assertion. According to Kosec and Mogues (2020), skilled professionals who are not affiliated with political parties that have monopolised civil service jobs for patronage are not given consideration for employment in municipalities. This assertion is supported by Kalonda and Govender (2021), who claimed that the same unskilled staff ‘lack knowledge of local governance to serve the public.’ According to Laubscher (2022) and Kalonda and Govender (2021), the recruitment of specialists at the local government level would have a good influence; however, the propensity to nominate people with political connections detracts from the competence needed in municipalities. Municipalities struggle to recruit and retain technically talented workers because to the poor recruitment tactics used by human resources systems, which are typically used to advance political deployment (Kalonda & Govender, 2021).

3.5.3 Governance

Starting in the late 1970s and early 1980s, many countries began privatising local service provision, often associated with ‘New Public Management’ (NPM) reforms (Twinomujuni et al., 2022). These reforms encompass various changes, including the transition from input to output control and the autonomisation of departments in Dutch municipalities (de Gier, 2018). NPM reforms are typically interconnected, and privatisation decisions may be influenced by prior experiences with market-based approaches (Girth, 2017). The governance logic of municipalities plays a role in these decisions. Governance refers to how organisations are directed, controlled, and held accountable (Schoute et al., 2021).

Wiesel and Modell (2014) identify three governance logics in public sector organisations: Progressive Public Administration (PPA), New Public Management (NPM), and New Public Governance (NPG). PPA focuses on rule compliance and prefers unified government departments for service delivery, emphasising inputs and intra-organisational processes. In the late 1980s, there was a shift from PPA to NPM in the Netherlands and elsewhere, but NPM

elements varied across countries (Haraldsson, 2017). NPM promotes contracting out activities and using competitive markets for service delivery, with a focus on outputs. Starting in the late 1990s, new developments like 'Public Value' (PV) and 'New Public Governance' (NPG) emerged, advocating government activities within networks of actors, with a focus on outcomes (Wiesel and Modell 2014). Recent studies suggest that municipalities in the Netherlands vary in the extent to which they implement elements of PPA, NPM, and NPG (Schoute et al., 2021).

3.5.4 Financial characteristics

The relationship between financial conditions and the decision to contract out public services has sparked debate in the literature. Common belief in public administration suggests that challenging financial situations lead to favouring external arrangements over in-house solutions (Reddy et al., 2020). Yet, certain empirical findings indicate that local contracting out might be less common in times of financial stress (Hefetz, Warner & Vigoda-Gadot, 2014; Rodrigues & Tavares, 2017). Rodrigues and Tavares (2017) argue that local public sector unions and interest groups may strongly resist contracting out during economic downturns or fiscal crises. This issue remains a subject of ongoing theoretical discussion. In the context of the Netherlands, a recent study demonstrated some evidence that municipalities with high debt levels are more likely to opt for contracting out (Gradus & Budding, 2020). Overall, it appears that municipalities with precarious financial situations tend to lean towards more market-oriented solutions.

3.6 Challenges in plan and service delivery implementation

The local level of government continues to play a significant role in ensuring the efficient provision of services and fundamental infrastructure (Makalela, 2019). The adoption of strong strategic tools and enough institutional capability are required for the development role given to local government. According to Dlamini and Reddy (2018), local municipalities are required to give their communities services that are a priority, well-informed by a collaborative process, and sustainable. The Integrated Development Plan (IDP) is one of the strategic instruments set up to help local authorities speed up service delivery. IDP's primary goal is to enhance and expedite the provision of municipal basic services (Ndzingi & Mathebula, 2018).

Local municipalities in South Africa have been using IDP to improve the delivery of fundamental services under their purview. In practically all South African municipalities, the

problem with service delivery is still unresolved and frightening (Maake, 2016). Many towns in South Africa have a history of providing subpar essential household services, such as water, power, sanitation, and garbage removal (Beyers & Fay, 2015). Residents have expressed their anger and displeasure in many sections of the nation through intermittent violent service delivery protests, which have caused social upheaval and political difficulties. This argues that towns should emphasise their role in development in order to get rid of the apartheid-era's centralised and disjointed planning methods.

One technique that encourages an inclusive and participatory approach in which all impacted parties and sectors must be legally consulted is integrated development planning (Cash & Swatuk, 2010). Municipalities continue to be given responsibility for improving service delivery in the regions under their control. To maximise their administrative capabilities, budgeting, and planning, all municipalities in the nation are required by regulation to achieve improved cooperation (Tsatsire, Taylor, & Raga, 2010). Despite the efforts made by the provincial and federal government spheres to strengthen local planning capacity through the implementation of the integrated development planning process, municipalities still struggle to provide services (Makalela, 2019). Local governments are having trouble implementing IDP and providing services. In especially in rural locations, the design and implementation of IDPs did not lead to sustainable services (Maake, 2016). IDPs were not implemented correctly, efficiently, or effectively, making it difficult to carry out and provide services as intended (Ndzingi & Mathebula, 2018).

Creating a complete plan through a strategic and inclusive process is known as integrated development planning. According to Meiklejohn and Coetzee (2003), it is a procedure by which municipalities create their Integrated Development Plan (IDP). The planning process, which directs all developmental efforts in a municipality, results in the IDP. According to Mathye (2002), the IDP is the key strategic planning tool that directs and informs all planning, budgeting, administration, and decision-making in a municipality.

According to Dlamini and Reddy (2018), IDP implementation involves several steps. Municipalities are required to conduct a situational study of the current setting in their area of jurisdiction as the first step of the IDP implementation process. The establishment of a shared vision and objectives among various stakeholders is emphasised in the second step of the implementation process. The third step entails the creation of an operational plan, with a focus

on creating project proposals by establishing goals, benchmarks, and metrics. The screening, modifying, consolidating, and approval of project proposals make up the fourth step, which guarantees an integrated process between planning, carrying out, and delivering the project. The selection and approval of the IDP projects are the main topics of the fifth step. The evaluation of whether the IDP complies with the requirements of the legal framework is the final step in the implementation of the IDP process (Dlamini & Reddy, 2018). To enhance and hasten local service delivery, municipal officials and IDP representative forum participants must correctly conceptualise and comprehend the IDP implementation process.

According to Valeta and Walton (2008), a municipality's capacity to allocate funds to a range of development projects and programs under an IDP is a key factor in how successfully it plans and implements IDPs. Municipalities should employ the Service Delivery and Budget Implementation Plan (SDBIP) to integrate planning and budgeting (Valeta & Walton, 2008). The SDBIP is a yearly accepted document that includes forecasts of the money the municipality expects to bring in as well as the operational and capital costs it expects to incur. The municipality's ability to effectively design and implement the IDP to carry out its responsibilities depends in large part on its capacity to allocate public resources in a way that promotes development and sustainability (Phago, 2009).

According to Tsatsire et al. (2010), effective intergovernmental interactions are essential to the effectiveness of local governments' implementation of the IDPs. IDP implementation relies on municipalities' ability to integrate and coordinate sector-specific plans (Beyers & Fay, 2015). However, Mojapelo (2017) argues that sector plans often exist independently, leading to fragmented programs and projects that don't align with the municipality's vision. Due to capacity challenges, national and provincial governments are stepping in to address local implementation capacity and skills. The IDP plays a positive role in improving municipal service delivery by identifying developmental objectives translated into programs and projects to address service delivery backlogs (Sinxadi & Campbell, 2015). It also combats poverty through multi-sectoral initiatives, including services like water, sanitation, electricity, and housing (Dlamini & Reddy, 2018). Nonetheless, criticisms exist regarding the IDP's effectiveness in enhancing service delivery (Donaldson & Majiet, 2023).

3.6.1 Public perception on service delivery

Service delivery is a problem in many developing nations (Mangai, 2017). This has led to widespread public demonstrations in many of these nations (Alexander et al., 2018; Morudu, 2017). In this setting, service delivery protests have been increasingly violent in numerous South African communities during the past ten years. While some academics contend that these protests can be linked to an organisation's inability to deliver enough fundamental services, others maintain that citizens' expectations of government performance also include being satisfied (Mangai, 2016; Peyper, 2016; Nkomo, 2017). However, Africa has little research on the factors that influence contentment. The need for researchers to contribute to understanding the factors that affect service delivery satisfaction as well as the form of it or discontent in South Africa is therefore expanding.

Policy-makers and public managers can better understand their customer base by using studies on citizen happiness. These studies can also help identify subgroups, access demands, and identify gaps. Additionally, Masiya et al. (2019) suggests that citizen satisfaction might be a key predictor of total government performance. Therefore, the recommendations made to municipal governments by this study are understood in this context.

3.6.2 Service delivery satisfaction

According to Livingston, Chu, Milne and Brink (2015:70), satisfaction is an 'assessment of one's attitude or behaviour towards a particular experience or object.' Although the idea of satisfaction has grown over time in the public sector, measuring client happiness is essential in the marketing industry. According to a large body of marketing research, expectations are seen to be a major factor in influencing how satisfied consumers are with products and services (Naini, Santoso, Andriani & Claudia, 2022). Many industries use the idea of contentment to assess the effectiveness of their organisations. Examples include assessing the satisfaction of office workers, patients in the health sector, citizens with service delivery, etc. (Mangai, 2016; Mangai, 2017).

According to Livingston et al. (2015), assessing people's experiences can help public organisations decide whether their customers are happy with the goods or services they are receiving. On this point, the discussion in this part centres on these factors that determine citizen satisfaction.

Masiya et al. (2019) found that the expectation disconfirmation model, performance model, and individual and jurisdictional factors are the three main classic interpretations that have arisen to explain why citizens may be pleased or dissatisfied with service delivery. One of the many satisfying interpretations follows the well-known expectancy disconfirmation paradigm. According to Roos and Lidstrom (2014), this paradigm predominated efforts in the private sector to understand consumer happiness.

As a result, prior studies that looked at the connection between expectations and citizen satisfaction generally concentrated on services provided by the private sector, including the marketing industry (Naini et al., 2022). More and more researchers are using the expectancy disconfirmation model to examine citizen satisfaction with municipal service delivery. Jilke, Van Ryzin and Van de Walle (2016) emphasise that this model has consumers evaluating a product or service's level of satisfaction based on how well it meets their expectations rather than just how well it performs. In other words, the expectancy disconfirmation model is based on the assumption that when individuals make decisions regarding the delivery of services, they already have expectations about the features or advantages a given service will offer (Van de Walle, 2018). These expectations act as the benchmark for forming satisfaction assessments after experiencing the actual service performance. What determines whether a citizen is satisfied or dissatisfied with a given municipal service is the disparity or gap between prior expectations and actual assumed performance (Dlamini & Reddy, 2018).

However, in the performance model, citizen satisfaction is a factor in how well citizens believe their government is operating in comparison to how they believe it should be performing. In essence, their level of satisfaction is determined by contrasting the quality of services they actually receive with how they perceive the government to be functioning (Mangai, 2017). The opinions that people express are then used as a feedback mechanism to enhance and prioritise the provision of services (Mangai, 2016). Therefore, it is indicative to enhance or expand the services offered if citizen happiness is validated. The efficiency of the services provided may therefore always be gauged by knowing how the public perceives their interactions with municipal services (Dlamini & Reddy, 2018). Feedback on service delivery from customers is crucial in nations like South Africa, where the bulk of the population is marginalised and public sector reforms have been seen as the solution to the country's service delivery problems (Van de Walle, 2018). Since understanding citizen satisfaction with service delivery offers an

important assessment tool to gauge towns' success, this article's a priori assumption is that it will.

The individual and jurisdictional level of citizen satisfaction is a different model of citizen satisfaction (Naini et al., 2022). The approach gauges citizen satisfaction based on their own and their jurisdiction's preferences. Because they reside in a rural region and can see the difference between the services provided to them and those in urban areas, people may or may not be content with the way services are given. As a result, a citizen's happiness or discontent with service delivery may depend on their personal history, social standing, values, and circumstances. Individuals' satisfaction or dissatisfaction with service delivery can vary due to cultural differences, demographics, and personal experiences (Mangai, 2016).

Service delivery is a highly debated topic in developing countries, including South Africa, as citizens seek better municipal services while municipalities face challenges (Masiya et al., 2019). Measuring municipal service quality often involves asking residents for their opinions. This approach has gained attention in scholarly research, with South African municipalities also showing interest in citizen surveys (Rulashe & Ijeoma, 2022). This study adopts the individual and jurisdictional model to assess service performance's impact on citizen satisfaction, aligning with the view that improved service performance enhances satisfaction and justifying continued evaluation of service delivery (Sambo, 2021).

3.6.3 Financial challenges faced by district municipalities

Magagula et al. (2022) claim that most rural municipalities rely on government grants to stay financially viable. It's important to note that political officeholders exert significant control over public fund allocation in municipalities, impacting how funds are distributed across functions. Matsiliza (2017) argues that municipalities, especially rural ones, lack sufficient financial autonomy due to an unfair budgeting process influenced by political interference. Participatory budgeting, which should involve community input, often remains under the control of the mayor's office, potentially leading to illegitimate exercises of power.

However, The Presidency (2009) reported that many local municipalities face budget underspending, resulting in inadequate services for communities. Masegare and Ngoepe (2018) attributed this underspending to instances of mismanagement, with municipalities lacking the capacity to deliver services effectively. District municipalities are meant to support local ones

in improving service delivery. Yet, Whelan (2016) and Magagula et al. (2019) argued that district municipalities have limited revenue sources compared to local ones, mainly relying on national transfers and equitable shares. Rural municipalities, in particular, struggle due to their limited capacity to generate revenue from rates and service fees, given that many residents live in traditional houses. This situation highlights the need for greater attention to rural municipalities compared to urban ones, as their needs often exceed their capacity and available resources.

Referring to challenges faced by municipalities in South Africa and Poland, both being unitary states, South African district municipalities lack sufficient revenue, whereas both rural and urban municipalities in Poland can generate their own income. The COVID-19 pandemic has strained South Africa's fiscal sustainability, leading to budget cuts by the National Treasury, limiting resources for infrastructure and economic growth (Burger & Calitz 2021). Matsiliza (2017) points to political interference as a major challenge for South African municipalities in managing their finances. Ndzingo and Mathebula (2018) identified revenue mismanagement as a primary cause of ongoing financial struggles for South African municipalities. In Nigeria, municipal political leaders are often described as greedy and accused of misusing public resources meant for the benefit of all (Abegunde & Fabiyi, 2020). Van Niekerk and Dalton-Brits (2016) stated that South African political leaders struggle to effectively fulfil their roles and responsibilities in guiding and directing municipal development and performance. This highlights the need for better education and understanding of their roles within the local government sphere (Magagula et al., 2019).

3.6.4 Issues in political-administrative interaction

Municipalities form the backbone of service provision and as the first sphere of government it is also taxpayers' primary contact point with government. Should this sphere of government collapse, it would inevitably affect the provincial government's capability to govern successfully. If a province languishes/deteriorates, it increases the pressure on the country (Narbón-Perpiñá & De Witte, 2018b). Pretorius (2017) states that the challenges that the local government sphere in South Africa face include insufficient institutional capacity, a low rate of revenue collection, unskilled or incorrect personnel, slow service delivery, inadequate public participation, ward councillors and committees, and the social distance of officials.

According to the Auditor General South Africa report (2015), the financial health of many province has deteriorated since the 2012/13 financial year. The provinces faces severe cash flow constraints, resulting in late payments to creditors. Masiya et al. (2019) suggest that if the situation is not addressed, this will have a significant impact on service delivery. Auditor General report emphasised that the root causes for poor audit outcomes were key positions not being filled, key officials lacking the appropriate competence, inadequate consequences for poor performance and transgressions, and a slow response by leaders to address all of the above (Ayandibu & Houghton, 2017).

In African countries, the utilisation of political patronage for the appointment of public officials is linked to numerous issues. Schoute et al. (2018) have outlined the drawbacks of employing political patronage in the appointment of public officials, which include:

- Political corruption (practices aimed at diverting resources from public coffers to private hands, e.g. bribery) is common.
- Inefficiency seems to be another common problem associated with political patronage. Many transactions undertaken are aimed at acquiring support and therefore allocations are often not made according to the principles of cost efficiency or productivity.
- Political appointments (linkages) encourage passivity, because they nurture the idea of the private consumption of supposedly public goods and too little is done to initiate innovative plans of how these public goods may be expanded.

The Local Government Turnaround Strategy (CoGTA 2009:18) identified the root cause of much of municipal failure to political parties that undermine the integrity and functioning of municipal councils through intra- and interparty conflicts and inappropriate interference in councils and administration. The main effects of a poor relationship between the political role players and the administrators are far-reaching and have a direct influence on municipal service delivery. According to Pretorius (2017), ‘over-politicisation’ refers to situations in which newly appointed municipal managers seek to reassign senior officials, generally directors. Instead than focusing on performance as the main criterion, these demands for reassignments typically result from variations in factors like age, qualifications, and perceived political discrepancies. Although administrators are intended to maintain a neutral and apolitical attitude, some do so by outwardly showing their political connections, which only serves to aggravate the transfer problem (Ayandibu & Houghton, 2017).

The poor relationship between politicians and administrators has led to high levels of administrative turnover in the local government sphere (Yu et al., 2022). Masiya et al. (2019) opine that the first type of turnover is early ('forced') retirement of administrators and the second type involves moving these officials to a different department. Unfortunately, this situation makes it difficult to keep someone accountable and to assign blame when an administrative problem occurs.

3.6.5 Political authorities' influence on municipal service provision

According to Yu et al. (2022), politicians play a crucial role in the promotion of good governance and democracy. As representatives, they derive their mandate to rule from the people and must therefore serve them to the best of their ability. The political authority resides with legislators who formulate directives which will become a norm of conduct for others, create instruments by means of which these directives will be followed and instruments by means of which they will verify their execution (Jaros & Tan, 2020).

3.6.5.1 Municipal councils

The Constitution of the Republic of South Africa (sections 151 and 160) confers on a municipality the right to govern the affairs of the community within the municipal area, but also empowers the municipal council to make decisions concerning the exercise of all the powers and the performance of all the functions of a municipality (Basias & Pollalis, 2018). Therefore, the municipal council is the principal political structure and the ultimate executive decision maker of a municipality (Hanabe et al., 2017). It plays a crucial role in directing the municipal administration by, amongst others, appointing the Municipal Manager and section 56 managers (senior managers directly accountable to the Municipal manager).

It is imperative to note that in the municipal sphere the council is both the legislative and executive authority (section 151(2) of the Constitution and section 11(1) of the Municipal Systems Act). These legislative and executive powers of council empower it to determine and administer local policies for the effective administration of certain matters (according to Schedules 4B and 5B of the Constitution) and to implement these local policies (Berka & Dreyfus, 2021). This is different from the national and provincial governments where the legislature (Parliament and provincial legislature) makes laws and the executive (Cabinet and provincial executive council) implements them, which means that the legislature oversees the

executive; therefore, the dividing line between the political and administrative authorities on these spheres are better grasped and followed by the relevant role players.

Oversight is a crucial role of the municipal council in monitoring and evaluating the actions of the executive and administration in the discharge of their vast powers (Beshi & Kaur, 2020). The laws pertaining to the local government sphere contain numerous provisions requiring the executive and administration to report to council. Sections 56(5) and 63 of the Municipal Structures Act determine that the municipal council oversees the activities of the executive and administration by ensuring that the executive mayor and municipal manager reports regularly and timeously to the council on all decisions taken (in terms of statutory and delegated powers) by the executive mayor (RSA 1998:26). The council must also ensure that the executive mayor consults the members of the mayoral committee on matters of importance (section 60(3) of the Municipal Structures Act) (RSA 1998:24). Furthermore, section 59(4) of the Municipal Structures Act determines that the council must ensure that the municipal manager personally takes decisions on important matters by not allowing delegation or sub-delegation of such power (RSA 1998:27).

From the above, it may be argued that the object of oversight also includes avoidance of abuse of power and guarding against under-performance. The municipal council has important policy-setting and oversight roles especially in regard to the IDP, budgets, policies, rendering of services, strategic objectives and priorities, and by-laws. Good governance means that council must 'own' the strategic plans (e.g. the IDP) by being involved in its development and be committed to the outcomes. Merely rubber-stamping a draft put in front of it by an administration will not result in ownership. Plans that are 'owned' by council are more likely to be adhered to and will also better accommodate issues and ideas that can arise from time to time during the year (Governance Institute of Australia 2015:21).

The approach that council takes in fulfilling its role is important for good governance. Its focus should be high-level strategic- and policy oriented, for example council should set the policies and priorities for road maintenance rather than spend time on discussing what materials should be used on a specific road (Governance Institute of Australia 2015:20). This will prevent the municipal council from interfering in the day-to-day operations and management of the municipalities (Ayandibu & Houghton, 2017).

3.6.5.2 Municipal council and administrative authority relationship

The relationship between the council and the administration is one of the most complex relationships and critical to ensure good governance. Goodwill, the understanding of roles, communication, protocols/procedures and a good understanding of legislative requirements are the most important factors that might influence this relationship and determine the quality of services being delivered (Governance Institute of Australia 2015:1). Both the council and administration must display commitment and goodwill to enhance their relationship. They need to believe that it is only possible to become a high-achieving municipality with a first-rate municipal council and an outstanding administration if they have the will to work through the different issues that they need to address (Reddy, 2015). It can be argued that the council and administration must have a good understanding of the different roles performed in the local government sphere. The administration must recognise the complex political environments in which municipal councils operate and councillors, on the other hand, need to understand that it is a highly complex task to prepare information and provide quality advice on a wide range of aspects.

3.6.5.3 Municipal councillors

The South African Local Government Association (SALGA 2011:59) specifies seven functions to be fulfilled by municipal councillors:

- to participate in policy-making and monitor the effective implementation of policy;
- to represent community needs and expectations in an accountable and transparent manner;
- to communicate with the communities to ensure that they get their input into council decisions and to collect information on any serious concerns related to municipal service delivery;
- to fulfil their leadership responsibilities in executive positions such as that of mayor, executive mayor, member of the executive committee or executive mayoral committee;
- to behave ethically in accordance with the code of conduct contained in Schedule 1 of the Municipal Systems Act;
- to delegate certain council functions to the relevant committees with the aim of improving the efficiency of the council decision-making process; and
- to promote developmental local government.

Jaros and Tan (2020) describe the role of councillors as follows: They provide residents with progress reports explaining council decisions on development projects. They assess the impact, fairness, and sustainability of municipal programs. They ensure capital projects align with the council's IDP. They maintain close contact with the community and convey important council information. Councillors provide representation, leadership, promote participation, and exercise legislative powers (Schoute et al., 2018). Based on the above, it can be argued that councillors serve as the interface between the citizens they represent and the municipal officials who draw up and implement development policies. The councillor does not only serve as the voice of the people to raise/express their community needs, but must act as a watchdog to ensure that the municipality implements policies to address the needs of citizens. He/she must furthermore perform these functions in good faith, honestly and in a transparent manner and at all times act in the best interest of the municipality (Zwane, 2017).

Municipal councillors are confronted with situations where they must make decisions and formulate policies that will actively influence the quality of inhabitants' lives. Botha (2017:118) declares that 'due to the unique nature of municipalities and the normative standards that apply to public institutions, councillors are often dependent on officials for guidance, especially as far as municipal financial matters are concerned'. Elected officials can play an important part in assisting municipal managers in administration (Matsiliza, 2017). Their involvement in administration helps clarify legislative goals and expectations, develop politically feasible solutions, reduce the gap between policy formulation and implementation, and enhances the overall effectiveness of policy implementation (Morudu, 2017). However, National Treasury (2016:30) determines that municipal councils '...cannot play an operational role, as this would interfere with the role of the executive (mayor or committee) and Municipal manager and weaken the accountability of officials'.

Municipal councillors cannot become involved in the day-to-day administrative functions of a municipality, but it must be left to the administration of a municipality (under the competent leadership of the Municipal Manager). The governing functions are exclusively the function of a municipal council (Haraldsson, 2017). Section 93 of the Municipal Structures Act determines that the municipal councillors should not interfere with the administration or management of a department/section of a municipality, unless they have received a mandate from council (RSA 1998:38). This implies that certain communication and accountability channels should be determined and the respective roles that should be fulfilled by councillors and officials should

be clearly and extensively explained. Furthermore, individual councillors have no authority to make decisions or act on behalf of the council unless the council has made a specific delegation. Councillors must work through the municipal manager in all matters involving both service delivery and municipal employees.

When councillors respect administrative competence, are eager to incorporate municipal managers' expertise into the policy making processes and do not interfere with routine management operations, it is likely that managers will be more willing to cooperate with their councils in the administrative domain (Demir, Reddick & Ponomariov, 2019). The manager may even use council's involvement in administration as an opportunity to increase his own influence in the policy process by proposing changes to existing policies and/or proposing new policies (Demir & Demir, 2020). Further advantages of councillors' involvement in the administrative domain may be that it allows them to oversee policy implementation and to review and correct specific performance problems through fine tuning (Haraldsson, 2017).

3.6.5.4 Executive mayor

Mayors are councillors elected by members of a municipal council. A mayor's power depends on whether the municipal council gives executive powers to him/her, or to an executive committee that includes the mayor as well as other elected councillors. In very small councils, with nine or less members, each councillor has both executive and legislative responsibilities. If executive powers are given to a committee, the mayor becomes the chairperson of the committee. The mayor then has the responsibility to set committee agendas and run meetings, but does not have greater power than the rest of the committee members (Beshi & Kaur, 2020)).

If the mayor has executive powers, he may appoint a mayoral committee. A mayoral committee is like a cabinet at the local government sphere. It is not obliged to hold its meetings in public or include other members of council (Beyers & Fay, 2015). The mayor oversees the implementation of council decisions and policy directives. The mayor must review the performance of the municipality to ensure its efficiency and effectiveness as well as the sustainability of service provision to communities.

The executive mayor is not absolved of financial matters within a municipality. Apart from being responsible for the budget preparation process, (section 21(1) (a) of the MFMA) the executive mayor has to table the annual budget before council (section 16(2) of the MFMA) and is also responsible for informing the MEC for Finance in the province of non-compliance with provisions of the MFMA (section 27(3) of the MFMA). He/she has to provide general

political guidance over the financial affairs, particularly the budget process of the municipality, (sections 52(a) and 53(1)(a) of the MFMA) and may monitor and oversee the execution of responsibilities assigned to the municipal manager and chief financial officer in terms of the MFMA (section 52(b) of the MFMA).

Beyers and Fay (2015) posit that the mayor must further ensure that the municipality performs its functions within the limits of the municipality's approved budget (section 52(c) of the MFMA); must at the end of each quarter report to council on the financial status of the municipality (section 52(d) of the MFMA), and must act in accordance with any further delegated duties assigned to him/her (section 52(e) of the MFMA). All these roles require the mayor to have great skills and experience. As such, the mayor's position should go to the councillor best suited to the role (Bojanic, 2018). It should not be a reward for long service or the result of 'deals' between councillors or factional manoeuvring. The relationship between the mayor and councillors is very important, because good leadership and good relationships contribute to effective participation of the councillors and good governance (positively affecting service provision efforts).

The position of mayor requires great skill and expertise to encourage all the councillors to work together in the interests of the municipality as a whole, to provide guidance and support to individual councillors, and to assist in resolving disputes (Bojanic, 2018). The mayor must encourage all the councillors to work together as a cohesive governing body. Councillors must, in turn, show respect for the mayor despite differences of opinion or political allegiances. If councillors feel that their points of view are being heard, acknowledged and respected, they are more inclined to accept decisions that they do not agree with. They will also remain active and involved members of the group (Bougie & Sekaran, 2019).

3.6.6 Administrative influence on local services

The tasks required to put political choices and policies into action are included in administration and management (Pretorius, 2017). The establishment of systems and processes for policy formulation, the development of organisational structures, the establishment of systems for the recruitment and deployment of human resources, the establishment of systems for the acquisition and allocation of financial resources, the implementation of strategies to promote efficient and effective service delivery, and administration in particular creates a

supportive framework for carrying out duties that can be classified into various components (Thornhill, 2020).

Management, on the other hand, may be viewed as the way in which the system is operated. It includes, amongst others, the decisions taken regarding the different components of the system, as well as the way in which managerial staff operate to ensure that the resources are utilised effectively and efficiently by the line functionaries (Mensah, 2020).

Administrators in the local government sphere should have relevant knowledge and skills to run municipalities effectively and efficiently (Sambo, 2021). Therefore, officials in municipalities must be development-oriented; provide services impartially, fairly and equitably; and the employment of officials must be based on ability and the capability of the candidate. Pretorius (2017) argues that they must ensure cost effectiveness (value for money) in their operations. This means that the focus of administrators cannot only be on effectiveness, efficiency and economy, but should also include appropriateness. They need to evaluate programmes to ensure fitness for purpose. The administration should support good governance by providing advice and support on consultation and engagement, establishing robust systems that refer complaints and queries to the relevant area, and maintaining responsive services and processes to further good governance (Sethunyane, 2021).

Politicians make political choices; however, these choices have to be considered within the framework of its administrative, managerial and technical feasibility. This is the domain of the senior managerial employees of the executive institution (Thornhill, 2020). Public officials are appointed as a result of their expertise in the various functions executive institutions have to perform. The management echelon requires specialists in management and administration. Managers should manage and administer the affairs of an executive institution (Bougie & Sekaran, 2019). It is important that council officers are able to help individual councillors where appropriate, without becoming involved in political activity or acting outside approved practices. Councillors, for their part, need to understand that the administration is fundamentally the public service of local government and is not there to promote the re-election prospects of individual councillors (SALGA 2014:13).

3.6.6.1 Municipal Manager

Whilst a large component of the responsibilities of the municipal manager is determined by council itself, legislation is specific on the duties imposed on the municipal manager. As head of the administration the municipal manager has a variety of statutory powers and duties (Sethunyane, 2021). His institutional powers and duties include, amongst others, to form and develop an economical, effective, efficient, accountable and performance driven administration for the municipality and to manage the administration in accordance with the provisions of the Municipal Systems Act and other applicable legislation (Bulgrin, 2020).

Section 54(1)(a) of the Municipal Systems Act states that the municipal manager is the head of the administration of the municipality and section 55(1)(a) & (b) determine that he/she is accountable and responsible for the administration's formation, development and management in an efficient, economical and legislative compliant manner (RSA 2000:36-37).

Section 82 of the Municipal Structures Act obliges the municipal council to appoint the municipal manager and ensure that he/she has the relevant skills and experience (RSA 1998:33). He is responsible for the overall functioning of the administration; the day-to-day running of the municipal administration and for ensuring that the policies, plans and budgets of council are implemented (Kuhlmann & Wollmann, 2019). The municipal manager is furthermore responsible for managing the finances and for hiring and disciplining staff. The municipal manager is accountable and reports directly to the executive mayor or council for implementing specifically agreed outputs and reports indirectly through the mayor to council for the overall administration of the municipality (National Treasury, 2016). The executive mayor is responsible for approving the annual performance contract for the municipal manager and monitors his actual performance (Bulgrin, 2020).

Chaudhary (2019) posits that whilst not being involved in the actual decision-making of the council, the municipal manager is tasked with the responsibility of advising the political structures and office bearers of the municipality (section 55(1)(i) of the Municipal Systems Act) and managing communications between the administration and political arms of the municipality (section 55(1)(j) of the Municipal Systems Act); while at the same time carrying out decisions of the political structures (section 55(1)(k) of the Municipal Systems Act) and implementing by-laws and legislation (section 55(1)(l) of the Municipal Systems Act).

Pretorius (2017) concluded that the notion of a neutral municipal manager is a myth, as any ruling party governs on the basis of its election manifesto which is informed by the policies initiated by that particular political party. A ‘neutral’ municipal manager may not be able to cope with such challenges. It may be possible, however, to appoint a municipal manager who is not a card carrying member of a particular party but who would not necessarily be neutral (Bulgrin, 2020). The need exists for the ruling party to deploy municipal managers who have a thorough understanding of its policy directives and basic skills for the job.

3.7 Chapter summary

This chapter provides an in-depth exploration of key topics, including service delivery protests, public accountability at the local government level, professionalising the State, municipal financial management, ethics in public financial management, and the legal framework governing service delivery in post-apartheid South Africa. It also addresses critical aspects such as enhanced skills and leadership for effective service delivery, municipalities' choices of service delivery modes and characteristics, and the impact of political involvement in recruitment. Furthermore, it discusses governance, financial characteristics, and challenges in implementing integrated development plans, and public perception and satisfaction with service delivery. The chapter delves into financial challenges faced by district municipalities, issues arising from poor political-administrative interaction, and the influence of political authorities on municipal service provision, including the roles of municipal councils, councillors, executive mayors, and municipal managers. The following chapter will delve into the research methodology employed in this study.

CHAPTER FOUR: RESEARCH METHODOLOGY

4.1 Introduction

In the previous chapter, a thorough examination of critical topics related to service delivery, public accountability, professionalising the State, municipal financial management, ethics in public financial management, and the legal framework governing service delivery in post-apartheid South Africa was undertaken. This chapter builds upon those discussions by providing a detailed methodological orientation for the study, elucidating the research approach, design approach, and ethical considerations that underpin the research methodology.

The research design was selected specifically in order to answer the research questions, (i) What are the existing fiscal decentralisation practices and mechanisms within the uMgungundlovu District Municipality? (ii) What are the challenges and gaps in the current fiscal decentralisation framework in the uMgungundlovu District Municipality? (iii) How can the institutional capacity of the uMgungundlovu District Municipality to implement and manage the proposed fiscal decentralisation framework be evaluated? (iv) How can a comprehensive conceptual framework for fiscal decentralisation be developed to suit the specific contextual factors of the uMgungundlovu District Municipality? (v) What recommendations can be provided for policy adjustments and practical strategies that can facilitate the successful implementation of the conceptual fiscal decentralisation framework in the uMgungundlovu District Municipality? A further elaboration on the targeted and accessible populations is discussed. The chapter concludes by discussing how data was analysed, the ethical considerations and the trustworthiness of the data.

4.2 Research design

Asenahabi (2019) indicated two types of inquiries in research as qualitative and quantitative method while the combination of the two forms mixed methods. Mixed methods can be used in order to integrate qualitative (open-ended without pre-determined responses) and quantitative (usually close-ended responses) research data (Sahin & Öztürk, 2019). The essence of mixed methods resides in the fact that all methods are biased and have weaknesses. The collection of both data neutralises the weaknesses of the other methods (Creswell & Creswell, 2017). Hodge (2020) stated that there is no single correct or best research design to use rather there are various approaches that people can choose from and mix together in order to create their own research design is the blueprint of how the researcher solved the phenomena

(Bloomfield & Fisher, 2019). This study takes a case study approach in order to understand development of the conceptual fiscal decentralisation framework in the Municipalities. Data for the study was collected using interviews conducted from a selection of 19 participants from different sectors of government, business and society. The data collected is therefore qualitative method.

4.2.1 Qualitative research design

According to Patel & Patel (2019), qualitative research frequently applies to the study of human behaviour. It focuses on looking into and understanding the meanings that people or groups assign to social or human circumstances. Mohajan and Mohajan (2022) suggest that this research enables one to observe the opposite individual and determine their body language, attitude, opinions, and sentiments. It is most useful for interviewers and psychiatrists. Numerous methods are employed, including the Thematic Apperception Test, phrase completion, sketching pictures, and word association tests. It is required when quantitative research is ineffective. As a result, 'motivation research' is another name for it (Patel & Patel, 2019).

Qualitative research is grounded in several key principles. It recognises that reality is socially constructed, acknowledges the complexity and interconnectedness of variables, values the significance of the subject matter, and emphasises gathering data from an insider's perspective (Nimehchisalem, 2018). Wilson, Kenny & Dickson-Swift (2018) posit that qualitative approach prioritises diversity, culture, and social justice, seeking to provide rich information within specific content and contexts, despite its inherent subjectivity. Data collection primarily relies on methods such as observations, interviews, and participant engagement.

4.2.2.1 Case study

The case study design of inquiry involves conducting an in-depth analysis of a specific case, such as a procedure, animal, person, home, organisation, group, industry, culture, or nationality. As described by Hancock, Algozzine, and Lim (2021), it entails thoroughly examining a person, group, institution, or phenomenon within its real-life context, especially when there are subtle differences between the phenomenon and its context. Depth in this context refers to exploring all the characteristics of the case. Case studies offer comprehensive investigations into a phenomenon, but they provide subjective rather than objective

information. They provide a deep understanding of the phenomenon but do not allow for generalising beyond the specific case (Singh, 2006).

4.3 Research philosophies

Research philosophies are the underlying presumptions, viewpoints, and assumptions that direct the planning and execution of a research project (Nimehchisalem, 2018). They act as the fundamental framework for how researchers conduct their investigations, influencing how they view reality, knowledge, and their interactions with the subjects of their research. According to Rovai, Baker, and Ponton (2014), there are a number of major research philosophies. These include positivism, which emphasises empirical data and objective observation, interpretivism, which places an emphasis on understanding subjective experiences and social contexts, and pragmatism, which aims to combine aspects of positivism and interpretivism to produce useful and practical results. Each research philosophy carries its own set of presumptions about the nature of reality, the role of the researcher, and the methodologies used, influencing the overall strategy and methodology of a research endeavour (Dawadi, Shrestha & Giri, 2021). The pragmatic approach to research was used in this study.

4.3.1 Pragmatism

Pragmatic research philosophy is a research approach that emphasises practicality, flexibility, and the pursuit of useful outcomes (Ciesielska & Jemielniak, 2018). It acknowledges that different research questions and contexts may require different methods and that the choice of research methods should be driven by the specific goals of the study. Saunders and Townsend (2018) claim that pragmatism bridges the gap between positivism (which prioritises empirical evidence and objectivity) and interpretivism (which focuses on understanding subjective experiences and social contexts). Researchers adopting a pragmatic philosophy are concerned with finding solutions to real-world problems and value the application of research findings in practice (Ryan, 2023). They believe that the success of a research study should be judged by its ability to provide actionable insights and contribute to practical improvements in the field, making pragmatism a highly adaptable and problem-solving-oriented research approach.

Alsop (2022) opines that pragmatism is an intuitively appealing approach in research because it avoids getting entangled in debates about abstract concepts such as truth and reality. Instead of engaging in philosophical discussions, pragmatism focuses on the practicality and usefulness of research methods and findings. Pragmatic researchers prioritise the effectiveness and

applicability of their research in addressing real-world problems and meeting the needs of stakeholders (Ryan, 2023). Pragmatism emphasises that the choice of epistemology, ontology, and axiology in research is primarily influenced by the specific research topic, as certain questions may necessitate the application of particular philosophical frameworks more than others. They observe that ‘the knower and the known must interact at some moments, whereas one may more readily stand back from what one is studying at other places’ (Navti, 2018:13).

4.4 Research approaches

Research approaches encompass various methodologies employed in the research process, including deduction, induction, and abduction. These methodologies form intentional and systematic strategies for scientific reasoning in research endeavours (Opie, 2019). It is crucial to align the research methodology with the research's logical framework during analysis. Kova'cs and Spens (2005), cited in Hall, Gaved, and Sargent (2021), formulated a research paradigm to differentiate between induction, deduction, and abduction. This paradigm examines how the reasoning within a research approach unfolds over time, shedding light on whether certain inquiries, such as theory development or empirical investigation, take precedence at the outset. Regardless of the specific pathway each approach follows, they all share a common goal: to advance knowledge and contribute uniquely to the body of research (Leavy, 2017).

Rahman (2020) argues that research approaches encompass the fundamental strategies and methods researchers employ to investigate and explore various research questions or problems. These approaches serve as the overarching frameworks that guide the entire research process, from formulating research questions to collecting, analysing, and interpreting data. The choice of a research approach depends on the research questions, objectives, and the nature of the phenomenon under investigation (Zuber-Skerritt, 2017). Researchers must carefully select and justify their chosen approach to ensure the validity and reliability of their findings.

4.4.1 Inductive approaches

Inductive research approaches are characterised by their bottom-up methodology, where researchers begin with specific observations or data and work towards generating broader theories or general principles (Palaci, Salcedo, & Topa, 2019). In essence, this approach involves moving from the particular to the general. Rahman (2020) posit that researchers employing inductive methods often engage in qualitative research, collecting and analysing

data through methods like observations, interviews, or content analysis to identify patterns, themes, or commonalities in the data. These emergent patterns or themes are then used to develop theories or hypotheses, allowing for a deeper understanding of the subject under investigation. Inductive approaches are particularly useful when exploring new or poorly understood areas, as they allow researchers to uncover novel insights and generate hypotheses that can be further tested in subsequent studies (Quintão, Andrade, & Almeida, 2020).

Inductive research is exploratory in nature and is often associated with grounded theory, content analysis, or thematic analysis (Abutabenjeh & Jaradat, 2018). It is well-suited for situations where little prior knowledge or theory exists, making it a valuable tool in the early stages of research projects. Palaci et al. (2019) suggest that inductive research can be time-consuming and may not always lead to generalised findings, as it primarily focuses on building theories based on specific observations rather than testing pre-existing ones. Nonetheless, inductive approaches play a crucial role in expanding our understanding of complex phenomena and providing a foundation for further investigation and theory development in various fields of study.

4.4.2 Deductive approaches

The deductive research process can be regarded as the antithesis of the inductive research process, where argumentation proceeds from a single empirical example or a set of observations to formulate general laws or theories, following the case-outcome-rule pattern (Palaci et al., 2019). In this process, there is no strict requirement for prior familiarity with an extensive framework or body of literature as a starting point (Rahman, 2020). Actual observations lead to the development of (post hoc) hypotheses or claims about the world, and their generalisation takes place via logical justification within a theoretical framework. To put it another way, inductive research starts with actual observations (facts) (Quintão, Andrade, & Almeida, 2020). Additionally, induction seeks to develop theory rather than test it. Instead of coming before observations, hypotheses or propositions are developed using this research approach and are based on the empirical investigation (Abutabenjeh & Jaradat, 2018). The inductive approach begins with specific observations before drawing wider conclusions.

4.4.3 Adopted research approach

After carefully considering the advantages and disadvantages of both inductive and deductive approaches, the researcher concluded that an inductive approach was most suitable for

exploring the impact of fiscal decentralisation on water and sanitation service delivery at uMgungundlovu District Municipality using the fiscal decentralisation framework. This choice enabled a comprehensive and exploratory examination of the cause-and-effect relationships between multiple variables (Zuber-Skerritt, 2017). The adoption of an inductive approach aligns with pragmatic research philosophy, which was the philosophical framework chosen for this study. Through the inductive approach, the researcher was able to bridge the gaps in understanding the relationship between fiscal decentralisation framework and service delivery in municipalities.

4.5 Target population

The target population refers to the entire group that the researcher is interested in (Dawkins, Tian, Newman & Martin, 2017). According to Pennay et al. (2018:23), the population includes all the constituents that constitute the planned unit of analyses and is defined as ‘the larger pool from which the sample is formed and on the basis of which generalisations of the findings are sought.’ The total target population for this study comprises 65 individuals from various sectors, including government, business, and society. These individuals play direct roles in service delivery within the operational area of the uMgungundlovu District Municipality.

Within the technical department, there are two primary divisions dedicated to project management: infrastructure development and operations and maintenance division. The infrastructure development division is led by the divisional manager for water and sanitation, who oversees two subordinates, namely, the sanitation manager and water manager. The operations and maintenance division is also under the guidance of a divisional manager, overseeing two regional managers: North and South, responsible for both water and sanitation. Each regional manager supervises three area managers for both water and sanitation. The entire technical department is overseen by the executive manager.

The finance department is divided into four divisions: income, expenditure, budget, and supply chain management. These divisions are headed by divisional managers who report to the Chief financial officer. In the six local municipalities, infrastructure development forum is led by technical managers who report directly to the municipal manager. Oversight for these managers is provided by a councillor from the infrastructure committee.

4.6 Sampling

A sample refers to a subset of the entire population from which a researcher collects data (Levac, Ronis, Cowper-Smith & Vaccarino, 2019). Wilson et al. (2018) argue that sampling is the process of selecting a small portion of the population to represent the entire or target population in a research study. Therefore, sampling is a process of setting aside units from the entire population. In this study, the sample consisted of individuals play direct roles in service delivery within the operational area of the uMgungundlovu district municipality who were available and accessible during the study period.

4.6.1 Sampling strategy

A sampling strategy in research refers to the systematic plan or approach taken to select a subset of individuals, items, or data points from a larger population or dataset (Sekaran & Bougie, 2019). The goal of a sampling strategy is to gather representative and relevant information while managing the constraints of time, resources, and feasibility. Pace (2021) argues that sampling involves making strategic decisions about how, where, and from whom to collect data to draw valid conclusions about the entire population or dataset. Sampling strategies can vary widely, from random sampling techniques that give each member of the population an equal chance of being selected to purposeful or convenience sampling methods that target specific groups or individuals based on research objectives (Sekaran & Bougie, 2019). There are two primary types of sampling used: probability and non-probability sampling. In this qualitative study, a non-probability sampling method was employed to select participants. This approach means that not all sampling units were included in the sample size calculations, as it focuses on specific characteristics and availability of participants.

4.6.1.1 Non-probability sampling

Non-probability sampling is employed when it's impractical to select every member of the population as a sample subject (Etikan & Bala, 2017). Within this strategy, various techniques such as convenience sampling, purposive sampling, quota sampling, snowball sampling, sequential sampling, anomalous case sampling, theoretical sampling, and adaptive sampling are available. Researchers choose the most suitable methodology based on their specific study objectives and constraints, as each technique has its own advantages and limitations. Given the qualitative nature of this research, non-probability sampling was used for interviews. When randomisation isn't feasible, convenience sampling is utilised, encompassing convenient,

intentional, snowball, modal, expert, diverse, and proportional approaches (Collins & Stockton, 2018). For selecting interview participants, the researcher employed purposive sampling. This study utilised a purposeful non-probability sampling strategy to select participants, ensuring data relevance by leveraging reliable sources (Pace, 2021).

One method within purposive sampling is ‘judgmental sampling,’ where specific locations, individuals, or events are deliberately chosen to obtain essential information unattainable elsewhere (Etikan & Bala, 2017). The researcher selects participants based on their expertise and knowledge in the study area, facilitating focused and efficient data collection. To ensure easy accessibility of respondents and the successful achievement of the study's goals, a purposive sampling strategy was employed. Interviews served as the means to gather information from respondents, allowing for a comprehensive examination of both the research question and the participants' perspectives.

4.6.2 Sample size

According to Gruijters and Peters (2022), the sample size represents the minimum number of participants necessary to ensure that the selected sample accurately represents the entire research population. A total of nineteen (19) participants were involved in the sample of this study from the various sectors, including government, business, and society and were involved in interviews. Fusch, Fusch and Ness (2017) suggest that the initial interviews provide the researcher with a significant amount of information, and subsequent interviews serve to validate and confirm the findings already obtained. This process continues until data saturation is reached, indicating that additional interviews are no longer providing new insights. The specific sample size for the interviews is presented in Table 4.1.

Table 4.1: Sample size

Organisation	Sample size
Local government	4
Private sector	2
State owned entity	2
Community Based Organisation	3
National government department	2
Provincial government department	6

TOTAL	19
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Source: (Researcher's compilation, 2023)

For this study, participants were selected using a non-probability sampling method, which is when the selection of subjects or units into the sample is at the discretion of the researcher. In particular, purposive sampling was used to select employees, community members, and other organisations, where the researcher purposely chose those who are relevant to and suitable for the study (Ospina, Esteve & Lee, 2018). Shaheen and Pradhan (2019) further argue that purposive sampling is also known as subjective, judgmental, or selective sampling method. Participants were chosen to participate in the study based on the researcher's judgment. According to Kalu (2019), a researcher uses their experience and knowledge to generate a reliable sample. According to Serra, Psarra and O'Brien (2018), the purposive sampling method is chosen because the method is one of the most cost-effective and time-effective sampling methods available.

The method was also chosen because of its effectiveness in investigating contemporary issues where findings generated help to understand the research problem under study. Table 4.1 above indicates the population, and the sample size selected purposively.

4.6.2.1 Characteristics of the included interview participants

The sample is composed of senior managers from uMgungundlovu district municipality who are directly involved in service delivery and financial management of service delivery funds. Additionally, there are community representatives, personnel from the private sector, and state-owned entities who are involved in service delivery provision. All participants are actively engaged in the provision of service delivery in uMgungundlovu district municipality.

The table below summarises the sample size of research participants.

Table 4.2: Focus group sample size

Organisation	Sample size
Local government	2
Private sector	1
State owned entity	1
Community Based Organisation	1
National government department	1

Provincial government department	2
TOTAL	8

Source: (Researcher's compilation, 2023)

A total of eight (8) participants were involved in the sample of this study from the various sectors, including government, private sector, and community-based organisations and were involved in focus group discussions. Two sets of focus group discussions took place at the UMgungundlovu District Municipality offices in Pietermaritzburg, South Africa, on both June 30, 2019, and July 20, 2019. Each discussion involved four participants. The dialogues extended beyond two hours, with attendees actively engaging in conversation and reflection.

4.6.2.2 Characteristics of the included focus group participants

The focus group discussions involved senior members representing various organisations, including Engineering Consultants, National Government Department, Local Government, State-Owned Entity, Provincial Government Department, Project Steering Committee, and Community-Based Organisation. A deliberate selection process resulted in eight participants chosen for their direct involvement or collaboration with the UMgungundlovu District Municipality. Councillors, traditional leaders, and individuals not directly engaged in financial administration and service delivery within the target population were excluded from the sample.

4.7 Data collection procedures

Data collection describes how the data required for the study will be retrieved from the participants (Saunders & Townsend, 2018). Within the tradition of qualitative research, there are three broad categories of data collection: participant observation, interviewing, and the use of personal documents (Sarfo, Debrah, Gbordzoe, Afful & Obeng, 2021). In this study, interviews were used as the main method of data collection. A semi-structured interview approach was adopted, and this approach facilitated an understanding of the problem from the perspective of the participants involved in the investigation.

Natow (2020) argues that triangulation is employed by qualitative researchers to ensure a research account that is rich, robust, comprehensive, and well-developed. While there are various methods of triangulation, theoretical validation and data triangulation are particularly relevant to this research. Theoretical triangulation refers to using multiple theoretical perspectives to examine and interpret the data (Natow, 2020). Natow (2020) further argues that

the benefit of this type of triangulation is that it provides a broader and deeper understanding of the findings. In this study, various sources of data have been utilised, including uMgungundlovu district municipality reports, observations, and interviews. The main data collection was the interviews.

4.8 Research instruments

4.8.1 Interviews

In this study, in-depth interviews were employed. These interviews involve ‘conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program, or situation’ (Ishtiaq, 2019:23). Sarfo et al. (2021) further asserts that interviews are valuable tools for collecting data in qualitative research. A one-on-one interview method allows the researcher to interact with participants and observe non-verbal cues during the interview process.

Specifically, data were collected using semi-structured in-depth interviews. According to Roulston and Choi (2018), semi-structured interviews increase the validity of information gathered because participants tend to share their opinions, values, attitudes, and beliefs in relation to the context of the research problem. Mirick and Wladkowski (2019) argue that semi-structured interviews allow the researcher to understand the complexity of the situation without imposing any prior categorisation. Semi-structured interviews create an informal atmosphere that allows participants to be honest and open enough to share their views on the subject under study.

This technique was chosen because it offers the opportunity to capture rich, descriptive data about people’s behaviours, attitudes, and perceptions and to unfold complex processes (Gill, 2020). Semi-structured interviews were suitable for this study because they allowed rich and detailed information to be collected on the impact of fiscal decentralisation on water and sanitation service delivery at uMgungundlovu district municipality.

The researcher utilised interviews to gain a deeper understanding of the participants’ constructions through dialogue and the language they use in constructing different discourses. The interviews allowed the researcher to seek clarity and probe for deeper understanding from the views of the participants. The researcher managed to build trust and rapport with the

participants, and this trust in the interaction or relationship made it easier for the participants to share their own experiences without fear of being judged (Ishtiaq, 2019).

Kalu (2019) states that the researcher is at liberty to adjust the questions and change the direction of the interviews. The predetermined questions are used to initiate discussions, and the interviewer can follow up on a discussion angle by asking further questions not included in the interview guide. This interview format gives respondents the freedom to express themselves fully and allows the interviewer space to pursue lines of inquiry opened by the interview (Basias & Pollalis, 2018). This view is also supported by Snelson (2019) who argues that semi-structured interviews allow participants to answer questions in a more detailed manner.

4.8.2 Preparing for the interview

Preparing for the interview starts from the time the researcher selects the participants according to the sampling criteria. Reviewing literature on the topic is part of the preparation for the interview. In selecting interviewees for qualitative interviews, interviewers should enter the world of the interviewees (Sarfo et al., 2021).

4.8.3 Becoming acquainted with interviewees

Initially, interviewers and interviewees are strangers to each other. Interviewees tend to be uncertain, self-conscious, and overly critical. Interviewers are intent on projecting themselves in a way that will evoke the least resistance in the interviewee. As first impressions are usually lasting impressions, this phase determines whether a person will agree to an interview or not. Particulars that attest to the interviewer's credentials are vital for reassuring interviewees that they are dealing with a bona fide interviewer (Ishtiaq, 2019).

To ensure a good initial relationship, in this study, the researcher was in contact with the interviewees before conducting the interviews. By the time of requesting participation in the study, good rapport would have been created between the informant and the researcher. Practical aspects of the research should be explained and discussed with the interviewee, such as the use of a voice recorder, the interview venue, and the time that can be devoted to the interview. The interviewer should strive to establish a cordial atmosphere so that interviewees will feel secure and have the confidence to speak freely (Alsop, 2022). In this study, the researcher first explained that the interview would be voice-recorded then translated and transcribed verbatim.

4.8.4 Conducting the interview

Interviews are usually initiated with a broad or general question. After the interview has begun, the role of the researcher is to encourage the participant to continue talking, using techniques such as nodding the head or making sounds that indicate interest. In some cases, the participant may be encouraged to further elaborate on a particular dimension of the topic of discussion by using probes (Sarfo et al., 2021). The interviewer is obliged to follow up cues during an in-depth interview to get to the ‘true’ meaning of a phenomenon (Alsop, 2022).

4.9 Data analysis

In qualitative research, reference is made to various techniques that can be used to evaluate and validate qualitative research. For example, Digenis-Bury, Brooks, Chen, Ostrem and Horsburgh (2008) and Mays and Pope (2020) highlight hallmarks of qualitative research that can be used to ensure the validity of qualitative research. Validity in qualitative research can also be seen in the extent to which the researcher provides sufficient detail to enable the reader to interpret the meaning and context of what is presented (Pope et al., 1998). Validation is thus dependent on the transparency with which the data collection and analysis procedures are presented. Similarly, Koch (1994) argues that the trustworthiness of the research process can be determined by the extent to which the research provides information and the process by which the end product has been reached.

Qualitative analysis involves examining and interpreting textual data, such as interview transcripts, to gain insights and understanding of a phenomenon (Ryan, 2023). The emphasis is on understanding a phenomenon and making sense of it, rather than predicting or explaining it. It requires a participant-in-context mind-set, where the researcher considers the perspectives and experiences of the participants, an ethically aware perspective to ensure that the research respects the rights and well-being of the participants, and the use of a variety of analytical techniques to explore and interpret the data (Ryan, 2023). The qualitative analysis process involves the researcher immersing themselves in the data, identifying themes, patterns, and connections, and drawing meaningful conclusions from the data to answer research questions or explore a specific topic.

For data collected from interviews, the researcher employed content analysis. Qualitative data was analysed using thematic analysis. Thematic analysis analyses data by grouping similar themes together. NVIVO 12 software system analysis was used to analyse the data

thematically, revealing recurrent themes. Thematic analysis is chosen because the technique organises and describes data into themes in a detailed and rich manner (Boyatzis, Gaskin, & Wei, 2015). Thematic analysis was used to pinpoint, examine, and record patterns (or themes) within the data. These patterns will be employed to describe the phenomenon under study and, in the process, answer the research questions underpinning the study (Frieze, Soratto & Pires, 2018:77).

According to Alsop (2022), Figure 4.1 below recommends a linear, hierarchical approach that is more interactive in reality and starts from the bottom to the top. Figure 4.1 below shows the data analysis process that is suitable for qualitative studies.

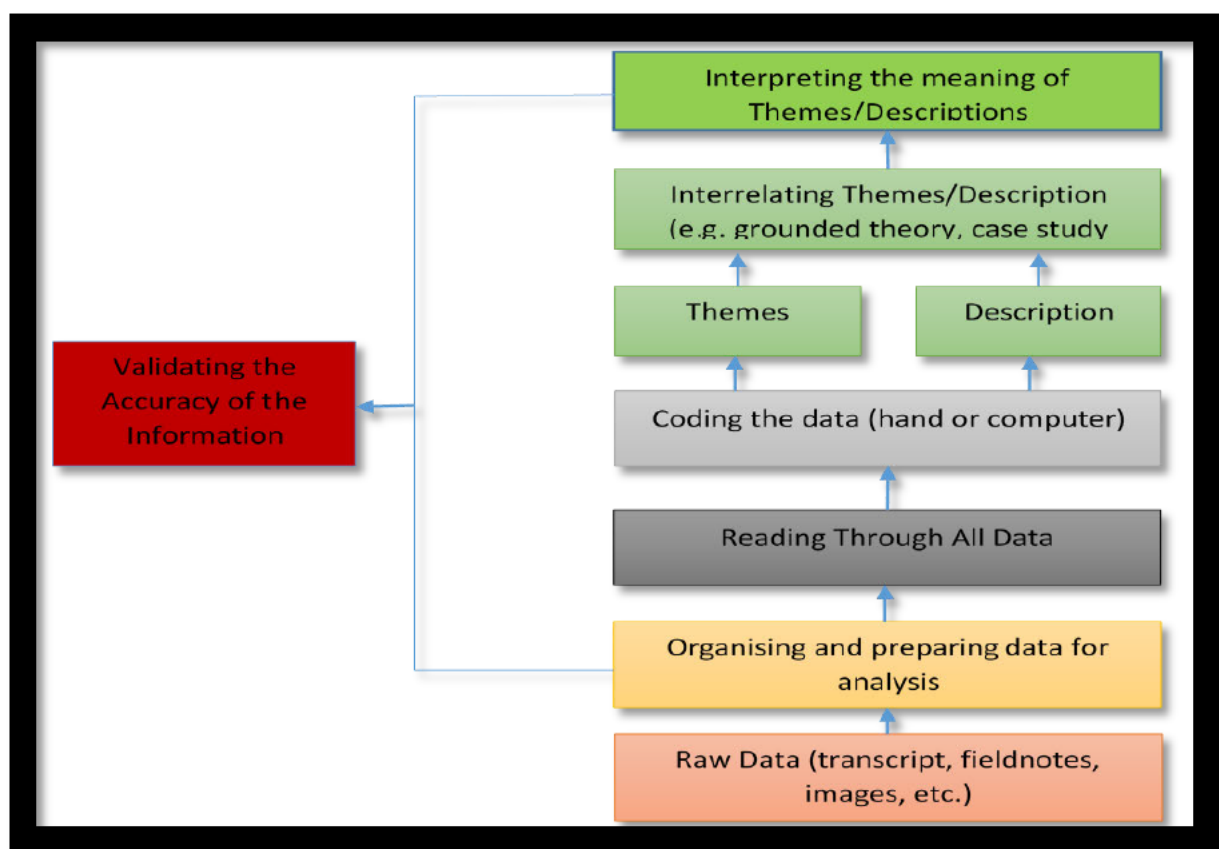


Figure 4.1 Data analysis in qualitative research (Source: Ishtiaq, 2019: 24)

Figure 4.1 above illustrates the six steps recommended for data analysis in a qualitative study. These steps include:

1. Organising and preparing the data for analysis.
2. Reading or reviewing all the data.
3. Initiating the coding process for all the data.

4. Generating a description of the setting or people and establishing classifications or themes for analysis using the coding process.
5. Progressing in how the description and themes will be represented in the qualitative narrative.
6. The final step in data analysis involves making an interpretation in qualitative research to derive findings or results (Ishtiaq, 2019).

4.10 Steps in generating the proposed conceptual framework

The proposed fiscal decentralization framework was developed through a systematic process that involved several key steps:

1. Literature Review

The researcher conducted a comprehensive review of existing literature on fiscal decentralization, local governance, and service delivery within the context of the uMgungundlovu District Municipality. This literature review aimed to identify existing gaps, challenges, and opportunities in the field.

2. Gap Identification

Based on the findings of the literature review, the researcher identified specific gaps and shortcomings in the existing fiscal decentralization frameworks, particularly concerning their applicability to the unique socio-economic and administrative landscape of the uMgungundlovu District Municipality. These gaps served as the foundation for the development of the proposed framework.

3. Plug in Missing Variables

The researcher then identified and plugged in missing variables or elements necessary to address the identified gaps and challenges. This process involved synthesizing insights from comparative case studies, policy analyses, and local stakeholder consultations to ensure the framework's relevance and comprehensiveness.

4. Model Development

Using the information gathered from the literature review, gap identification, and variable integration, the researcher developed the proposed fiscal decentralization framework. This

model aimed to strike a harmonious balance between local autonomy and central oversight, tailored to the specific needs and aspirations of the uMgungundlovu community.

4.11 Elimination of bias

In research, bias can infiltrate all stages, including planning, data collection, analysis, and publication (Farghaly, 2018). To ensure the credibility and reliability of the study, it is essential to be aware of potential biases and take measures to minimise their impact. The researcher in this study was particularly vigilant in eliminating bias and maintaining objectivity throughout the research process. By doing so, the findings can be critically and objectively assessed, avoiding any hazardous or poor-quality conclusions.

- **Non-use of gender aligned words**

Gender-neutral language, a form of linguistic prescriptivism, aims to avoid or neutralise references to gender when describing individuals (Hall et al., 2021). In this study, the researcher actively employed gender-neutral language, ensuring that any information that could reveal the gender of research participants, such as gender-specific job titles, was excluded. Additionally, gender-neutral pronouns were used to challenge the notion that language unconsciously perpetuates gender and gender stereotypes. By adopting this approach, the study aimed to promote inclusivity and minimise the reinforcement of traditional gender roles in language.

- **Avoiding categorising people based on their race or ethnicity**

As suggested by Robertson, Morgan, Bird, Catchpole, and McCulloch (2014), individuals are highly motivated to maintain and develop identities that are significant to their sense of self. In this study, the use of vocabulary that identifies individuals based on their ethnic or racial origin was avoided deliberately. This measure was taken to prevent any implications of inferiority or superiority related to ethnicity and race. The aim was to maintain objectivity and minimise potential biases in the research.

- **Avoiding language that implies judgment or feeds stereotypes**

The study of bias and related phenomena, such as prejudice, has received increased attention and rigorous investigation in various industries, including business, health, sociology, and political science (Robertson et al., 2014). To address this issue, the research made a conscious effort to avoid using language that implies judgment or supports biases. By adopting neutral

and objective language, the study aimed to maintain its integrity and minimise the potential influence of bias on the findings.

4.12 Ethical considerations

Ethical considerations play a crucial role in research, as they safeguard the rights and well-being of all individuals involved in the study (Thieltges, Schmidt & Hegelich, 2016). While it is common practice to request written consent, Silverman and Patterson (2021) state that highly formalised ways of securing consent should be avoided in favour of fostering relationships in which ongoing ethical regard for participants is sustained. In support of this form of consent, Schmidt and Engelen (2020) has argued that the strength of qualitative research often lies in the informality of communication as well as the interactive nature of the research process. However, participants in this study were required to sign a consent form as required by the Ethics Committee of the University of KwaZulu-Natal.

The researcher obtained gatekeeper's letters from the uMgungundlovu District Municipality, Msunduzi Municipality, Department of Water and Sanitation, Department of Human Settlement, Department of Cooperative Governance and Traditional Affairs, Umgeni Water, Treasury, RHDHV, Duzi-Corp 56cc, and the Speaker's Forum. Ethical clearance was obtained from the University of KwaZulu-Natal Humanities & Social Sciences Research Ethics Committee. Participants were free to discontinue their participation at any time during the research process. The anonymity, confidentiality, and dignity of the respondents were upheld and respected. To comply with ethical considerations in conducting research, all participants provided written consent to be interviewed and to participate in the research. The participants willingly participated in the study after being asked by the researcher (Schmidt, 2019), and the research purpose and process were explained to them.

The purpose of the research was explained to the participants, and they were informed that they could withdraw at any point during the interview if they wished to do so. Permission to record the interview was also obtained from the participants.

4.13 Chapter summary

This chapter detailed and defended the technique and research design that were employed in the study. Before choosing interpretivism as the philosophical perspective best suited for this

study, this chapter provided a thorough analysis of the various research philosophies, highlighting their benefits and drawbacks, as well as the subject areas where they are most effective. The correlational technique, with an advanced explanatory design, was used in a non-experimental, ex post facto research design. This was supported by concomitant transformative mixing approaches and a pro-data advocacy emphasis. The study's sample size was determined by considering the competence, accessibility, and willingness of the respondents to participate; the study's population was also considered in respect to various sampling techniques. This explains why purposive sampling was used to choose participants.

In this chapter, the data collection procedure, and a six-phase approach to thematic analysis was also discussed. The combination of semi-structured interviews and focus groups was justified in the chapter. The ethical considerations of the study were also presented in this chapter. Issues of reliability, validity, trustworthiness, reliability, validity, and trustworthiness, as well as ethical considerations, have likewise been discussed in detail.” The next chapter presents the results of the study from the data gathered from the face-to-face interviews.

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CHAPTER FIVE: FINDINGS AND DISCUSSION FROM INTERVIEWS

5.1 Introduction

The previous chapter gave a detailed description of the research methodology utilised for this study, as well as details on the population, sample, and procedures used for data collecting and analysis. The study's qualitative findings are presented in this chapter, based on the information generated by the conducted interviews. As part of this research study, several interviews were conducted with uMgungundlovu district municipality stakeholders, including government, business, and society and were involved in interviews. The primary aim of the interviews was to explore the impact of fiscal decentralisation on water and sanitation service delivery at uMgungundlovu district municipality using the fiscal decentralisation framework. This chapter presents and discusses all five objectives of the study. The following research objectives were guided the researcher when conducting the interviews:

- To examine the existing fiscal decentralisation practices and mechanisms within the uMgungundlovu District Municipality.
- To analyse the challenges and gaps in the current fiscal decentralisation framework in the uMgungundlovu District Municipality.
- To evaluate the institutional capacity of the uMgungundlovu District Municipality to implement and manage the proposed fiscal decentralisation framework.
- To propose a comprehensive framework for fiscal decentralisation tailored to the specific context of the uMgungundlovu District Municipality.
- To provide recommendations for policy adjustments and practical strategies that can facilitate the successful implementation of the conceptual fiscal decentralisation framework in the uMgungundlovu District Municipality.

To accomplish this, the interview schedule was divided into four main sections that were in line with the study's research objectives:

- Local governance and fiscal management
- Challenges in the current fiscal decentralisation framework
- Capacity evaluation and improvement
- Enhancing fiscal decentralisation and local governance

- Recommendations and practical strategies for fiscal decentralisation implementation

Each focal area was covered by a number of questions, and the interviewer guided the conversation by asking pointed questions that sparked candid discussions. Each interview lasted from thirty minutes to an hour, depending on the interviewee's availability. Every interviewee responded to every question. The results that are presented in this chapter were generated using NVivo. The advantage of NVivo is its compatibility with thematic analysis by enabling the development of nodes. The nodes additionally offer 'a simple-to-work-with structure' for developing scripts and identifying themes.

5.2 Themes of the study

Guided by the word cloud and tree map, the main themes identified are presented in Figure 5.1, below:

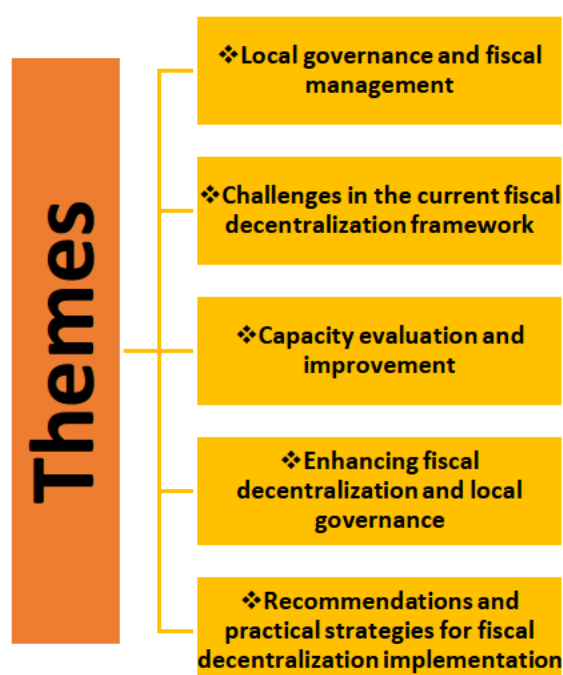


Figure 5.1: Themes

For ease of reference, as per Figure 5.1 above, the analysis was aligned to the five key themes discussed, as follows.

5.2.1 Local governance and fiscal management

This primary theme examined the local governance and fiscal management which encapsulates the multifaceted challenges and strategies related to managing finances, revenue collection, community engagement, legislative powers, and the role of information and communication technology within the uMgungundlovu district municipality. It was informed by various subthemes summarised in the diagram below:

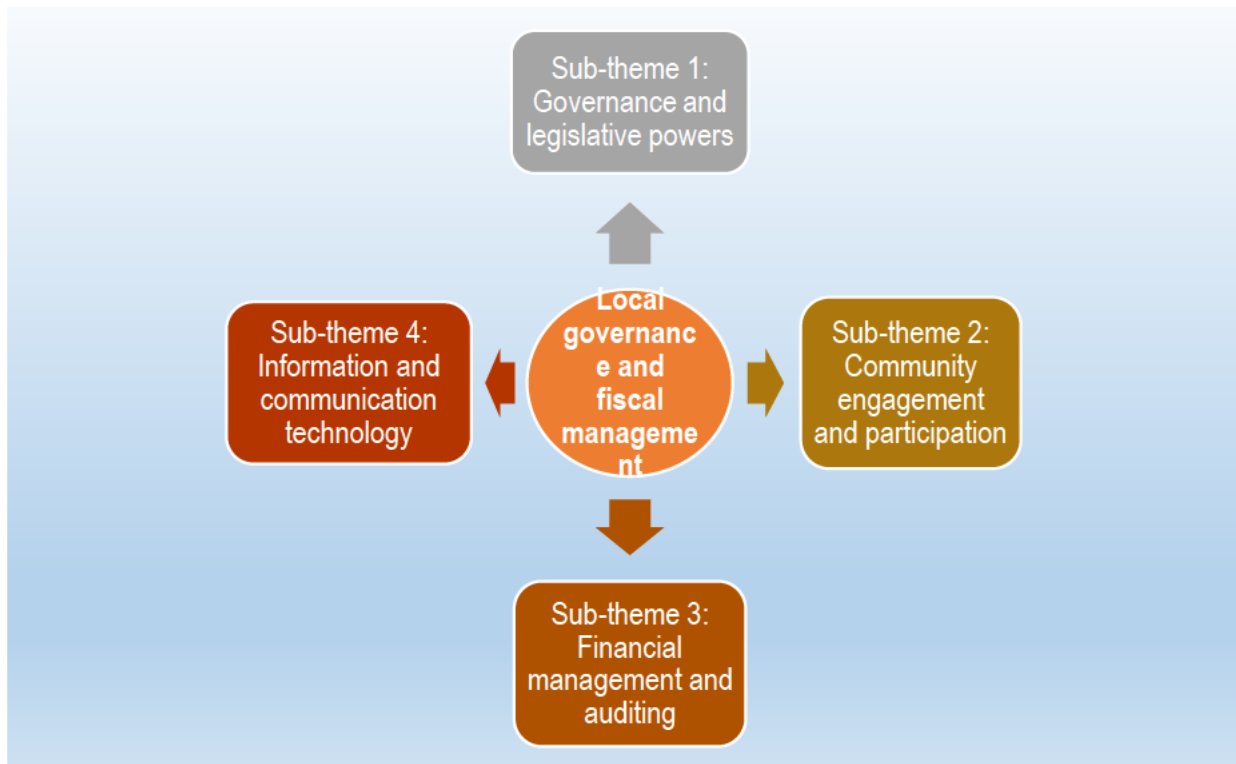


Figure 5.2: Sub-themes for main theme 1

5.2.1.1 Governance and legislative powers

This sub-theme underlines the complex governance structures and legal constraints that municipalities navigate in their financial operations. The participants acknowledged that municipalities do not have unilateral authority to make financial decisions, particularly regarding borrowing funds. This underscores that the municipalities are operating under legislative requirements which require them to consult with higher authorities, such as the national treasury, before making financial decision. This is confirmed by the following participant, who conveyed the same position, supported by the following comment:

Legislatively municipalities cannot just go on their own and borrow money without the consultation with the national treasury. The reason there being that we may not

want to see the municipalities that borrow money and fail to pay given that they are indigent (Interviewee 15, 2023)

This outcome concurred with the findings of Hossain and Habib (2021) who found that the transfer of authority for making decisions from higher to lower levels of a bureaucracy is productive and effective. Administrative decentralisation entails giving decision-making authority over public policy and the provision of public services to lower tiers of government. Similarly, Aoki and Schroeder (2014) suggest that administrative decentralisation includes not only giving local governments autonomy over tasks like planning, organising, and monitoring the provision of services but also the de-concentration of a central government's decision-making autonomy to its branches.

However, some participants felt that legislative authority should primarily reside at the local level, empowering municipalities to make decisions and manage their affairs independently. They emphasised on local autonomy and self-governance, with national government intervention being sought only when necessary to provide support in case of municipal failures. This is confirmed by the following participant who stated:

Legislative powers must be at a local level, and we can seek assistance from national government as and when required, they should only provide support in case where uMDM fail (Interviewee 16, 2023)

This outcome strongly concurs with the observation of Kirilova (2019), who concluded that the subsidiarity principle underscores the distribution and, if needed, redistribution of authority between various levels of state governance. It emphasises a hierarchical sequence of managerial bodies and delineates the allocation of responsibilities among these bodies to serve the community's interests. Likewise, Natal'ya et al. (2016) opine that by adhering to the principle of subsidiarity, the system ensures that decisions are made at the most appropriate level of authority, avoiding unnecessary centralisation and promoting local autonomy.

5.2.1.2 Community engagement and participation

This sub-theme underscores the importance of active involvement and communication between municipalities and their communities. Participants emphasised the need for municipal representatives to proactively engage with local residents by physically visiting communities, attending meetings, and maintaining an open line of communication. This is confirmed by the following participant:

There must be people from the municipality who comes to the community to get citizens contributions, instead of the municipality imposing unilateral decisions to the community (Interviewee 17, 2023)

This outcome concurred with the findings of Masiya et al. (2019), who concluded that one approach to building municipal public trust involves municipal councils establishing mechanisms to engage with community groups, identify service needs and priorities, and foster structured partnerships among the council, management, labour, and the community. This collaborative approach is more likely to enhance service delivery success.

Strong commitment to democratic principles and accountability was another key factor within local governance. Some participants emphasised that public participation is not optional but an essential aspect of representative democracy. They felt that elected officials are seen as accountable to the community they serve, with a responsibility to report back on their actions, ambitions, and performance. This is confirmed by the following participant, who conveyed the same opinion, as confirmed by the following statement:

Public participation is the matter of must, if those people are elected by the community it is a responsibility for them to report back and communicate whether it a programme of actions or their ambitions for the year, and also report back where they didn't do well because the residences are more like shareholders you need your own AGM in the district in the ward to report back to those people and you are serving those people (Interviewee 10, 2023)

This result supported the Republic of South Africa's 1996 Constitution assertion that requires local government to offer democratic and responsible governance for local communities, which should include fostering social and economic growth and community involvement. Similarly, Martinez-Vazquez et al. (2017) observe that there are occasions when grassroots-level demands must be addressed to uphold democratic principles through decentralisation. In contrast, Balaguer-Coll et al. (2019) suggest the use of voter turnout as a measure of citizen involvement and democratic participation, expecting it to reduce inefficiencies in local public service provision due to heightened pressure on politicians to manage resources more efficiently.

5.2.1.3 Financial management and auditing

This sub-theme underscores the importance of strategic financial planning, revenue collection, and fiscal responsibility to ensure that borrowing, when necessary, does not exacerbate financial difficulties and that municipalities can meet their financial obligations in the long run. Municipalities are facing a complex challenge in balancing their financial needs and obligations. Participants highlighted the need for financial support for municipalities and they also express concerns about the sustainability of borrowing, as it may not necessarily lead to adequate revenue generation to repay loans. This is confirmed by the following participant who stated:

It was a noble gesture for uMDM to borrow money from DBSA, trying to cover the outcry that we are having as municipalities. But the sad part is that the municipality is not going to recover enough money to pay back the loan. So, it means now uMgungundlovu will forever be indebted to DBSA. That will be a sad scenario (Interviewee 18, 2023).

This outcome concurred with the finding of Eltrudis (2018), who found that, traditionally, local governments have primarily relied on the banking sector for funding, in addition to tax sharing and governmental transfers. These banking relationships in Western Europe have evolved into long-term partnerships with local governments.

Furthermore, municipalities should not undermine the significance of sound financial management practices, including maintaining clean audits, as they not only demonstrate fiscal responsibility and open doors for them to secure the necessary financial resources for development projects and operational needs. Some participants felt that a clean audit history is often a prerequisite for borrowing money, indicating that financial transparency and accountability play a pivotal role in building trust with creditors and investors. This is confirmed by the following participant:

You will find that in some cases if you want to borrow money you have to have a good track record and one of the key things, we looked at in the past is that if you want to borrow money they will want to know if the municipality had a clean audit in the past. It more like an indicator whether you have systems following Municipal Financial Management Act that oversee the use money as per planned budget and there is no fruitless expenditure all those things (Interviewee 8, 2023).

This outcome concurred with the Public Finance Management Act of 1999 (Act 1 of 1999), which was established to align with the Constitution and ensures transparency, accountability, and prudent management of public finances within institutions. Hanabe et al. (2017), who concluded that public financial management system includes budget planning and preparation, appropriation, budget execution, accounting and financial reporting, as well as audit and evaluation.

5.2.1.4 Information and communication technology

The sub-theme accentuates the importance of leveraging modern technological tools and platforms to enhance communication, transparency, and service delivery within municipalities. It signifies a shift towards more accessible and inclusive means of engagement, ensuring that information is disseminated effectively, and residents can actively participate in the decision-making processes of their local government.

The need for multifaceted communication channels within municipalities is pertinent. This approach aims to harness technology for efficient data collection, empowering municipalities to make more informed decisions and enhance future planning. Majority of participants felt that this multifaceted approach aligns with the evolving landscape of communication technology, emphasising the potential for improved citizen engagement, data-driven decision-making, and effective two-way communication between municipalities and residents. This is confirmed by the following participant who noted:

In the call centre there must be different ways where people can phone in, but they can also send WhatsApp and they can use data to record things. So, if there is a pothole, I can take a photograph and a location and send it to the municipality so that they are aware, also if there is a pipe leak. So, you must actually utilise the residence to get your data in because the data will inform you what to do in terms of planning. So, you want to mine data out of the residence so that you make better decisions in the future, and people like to engage not only in complaining but in telling the good news and it can also prevent a lot of miss communication (Interviewee 12, 2023).

This outcome concurred with the finding of Masiya et al. (2019), who concluded that certain communication and accountability channels should be determined and the respective roles that should be fulfilled by councillors and officials should be clearly and extensively explained.

Moreover, the potential of technology to not only improve transparency but also facilitate efficient communication between municipalities and their constituents. Participants emphasise the need to adapt to changing communication dynamics, suggesting that relying solely on traditional meetings is no longer sufficient. They advocate for the use of social media and various technology-driven platforms to keep the community informed and engaged. This is confirmed by the following participant who conveyed the same opinion, as confirmed by the following comment:

Also, it does not mean that you must attend meetings every month, you can use things like social media to report back to the people, there is nothing wrong with that. There are a lot of platforms and technology that can assist in the provision of service delivery because technology helps with transparency. If the municipality started using that it makes it much easier to engage, criticise and to appreciate what the municipality is doing, it is a way of reaching out easier to residence (Interviewee 19, 2023).

This result was consistent with the findings of Lamidi (2015), who found that public administration is a fusion of both theory and practice. Theories offer a stable foundation for comprehending human experiences, provide benchmarks for relevance, facilitate effective communication, delve into complex relationship dynamics, and contribute to continuous worldly learning.

5.2.2 Challenges in the current fiscal decentralisation framework.

This primary theme examined the aspect of the challenges in the current fiscal decentralisation framework. It was informed by five primary sub-themes, as unpacked below:

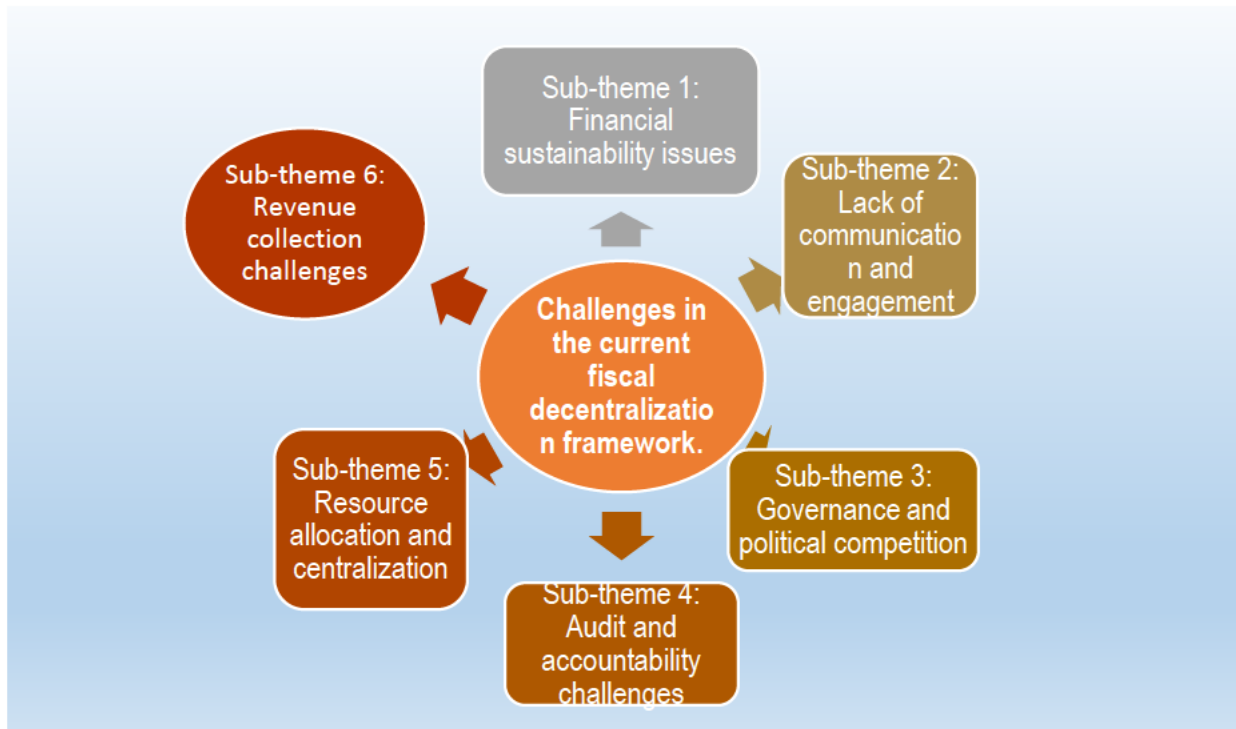


Figure 5.3: Sub-themes for main theme 2

5.2.2.1 Financial sustainability issues

This sub-theme highlights the challenges faced by municipalities in securing adequate funding to cover essential services and infrastructure development. This underscores the significance of fiscal decentralisation frameworks that can effectively allocate resources to meet the demands of local governance. Participants felt that municipalities face financial constraints when it comes to ensuring the delivery of essential services and the overall well-being of the community. This is confirmed by the following participant:

UMgungundlovu even went to DBSA to acquire a loan. Even that loan only covered few sections in ward 4. I am not going to mention other municipalities because uMgungundlovu is servicing 7 municipalities. So, it shows that they see that they are underfunded. They went to get a loan but even the loan they got still cannot reach everyone. So, it is true that uMgungundlovu is underfunded. They should be a recalculation so that uMgungundlovu can be sustainable (Interviewee 18, 2023).

This result is consistent with the findings of Whelan (2016) and Magagula et al. (2019), who concluded that district municipalities have limited revenue sources compared to local ones, primarily relying on national transfers and equitable shares. Rural municipalities, in particular,

struggle due to their limited capacity to generate revenue from rates and service fees, especially considering that many residents live in traditional houses.

However, the municipalities despite inadequacy of resources they need to find sustainable funding solutions to meet the pressing needs of all communities have access to essential services. Some participants emphasise that the current municipality funding model which represented by the equitable share, is insufficient to address persistent service delivery gaps, and there is critical need for financial sustainability and resource allocation reforms. This is confirmed by the following participant who conveyed the same opinion:

The equitable share will never be enough when we still have wards like ward 4 which are still being serviced by jojo tanks and water tankers that are sending water there, because even that service is not reaching everyone (Interviewee 8, 2023).

This outcome disagreed with the findings of Ndzinge and Mathebula (2018), who concluded that revenue mismanagement is a primary cause of ongoing financial struggles for South African municipalities. Likewise, Masiya et al. (2019) observed that challenges faced by municipalities in South Africa mainly arise due to service delivery failures stemming from huge backlogs, inadequate revenue collection, corruption and fraud, poor financial management systems, and lack of high-skilled personnel. Similarly, Abegunde and Fabiyi (2020), came to a conclusion that in Nigeria, municipal political leaders are often described as greedy and accused of misusing public resources meant for the benefit of all.

5.2.2.2 Lack of communication and engagement

This sub-theme highlights frustration of residents with the absence of effective communication and consultation processes, particularly regarding billing and problem areas. Participants felt there is critical need for transparent and inclusive communication channels between municipalities and the community. This is confirmed by the following participant:

Normally when uMgungundlovu was still intact with communication and community consultation, let me call it public participation. If there was going to be a stoppage of water, they phoned us. We then send a vehicle to go announce. The community is made aware, that was best. Even when you go to your MANCO meetings, they call it Municipal Manager's Forum, is not sitting anymore. The

speaker's forum sits once in a blue moon. The Mayoral Forum is gone (Interviewee 18, 2023).

This outcome concurred with the findings of Gordhan (2014), who stated that the challenges that the local government sphere in South Africa face include insufficient institutional capacity, a low rate of revenue collection, unskilled or incorrect personnel, slow service delivery, inadequate public participation, ward councillors and committees, and the social distance of officials.

Furthermore, the lack of inter-governmental structures and delayed information dissemination contribute to dissatisfaction among residents. Some participants stressed that prioritising communication is essential for fostering customer satisfaction and ensuring that residents are well-informed about municipal processes and issues, ultimately promoting transparency and trust in the system. This is confirmed by the following participant:

There is no consultation about billing, there is no consultation about areas that are problematic and there are no inter-governmental structures that are set out, sometimes there is no sitting. So, if you are not invited in those sittings you get the information late. So, communication must be prioritised, it makes a happy customer (Interviewee 1, 2023).

This view aligns with that of Karama (2022), who discovered that the transfer of authority for decision-making from higher to lower levels of a bureaucracy can delay information dissemination. Administrative decentralisation involves granting decision-making authority over public policy and the provision of public services to lower tiers of government, and sometimes, it can contribute to dissatisfaction among residents.

However, some participants felt that attending physical meetings every month may not be practical for everyone, and therefore, alternative means such as social media and technology should be embraced to keep the community informed. Participants recognise that these digital tools can enhance transparency in service delivery and provide a more accessible and efficient way for residents to engage with municipal authorities. This result supports Huda (2022) assertion that the ever-expanding activities within the public service, the increasing volume of paperwork, the rapid advancement of technology, and ongoing research into administrative tools necessitate a comprehensive examination of the existing procedures and methods employed by public institutions.

5.2.2.3 Governance and political competition

The sub-theme outlines the complexities of municipal governance due to political competition that also shape the public perceptions.

During election campaigns, political parties tend to make promises that may not entirely align with the realities of governance. Majority of participants suggest that some parties oversimplify or exaggerate the extent of government assistance and free services, potentially misleading the community in their pursuit of votes. This is confirmed by the following participant:

Political parties like to get votes so that they can run the country or local municipality. So, I think the mistake they make is that they are not telling the truth when they are campaigning in the community. They make it sounds as if the government will be doing everything for the community, and that is their way of attracting votes. They will tell communities that water is for free, and there is free basic water, and everything is for free in the municipality. I think they are not telling the whole truth in the community, and they use municipality in the wrong way to get votes (Interviewee 16, 2023).

This outcome aligns with the findings of Pretorius (2017), who suggested that councillors need to understand that the administration fundamentally constitutes the public service of local government and is not there to promote the re-election prospects of individual councillors. Actions aimed at enhancing a professional corps of officials who understand administrative tasks well and are capable of carrying them out should be supported by municipalities.

In addition, some participants argue that all councillors, representing various political parties, have to express their views, as decisions are ultimately determined by the majority. This underscores the democratic principles of inclusivity, debate, and majority rule within the municipal governance structure, suggesting that political competition plays a vital role in ensuring that decisions are thoroughly examined and representative of diverse perspectives. This is confirmed by the following participant who conveyed the same opinion:

I think the competition is fair because as much as there is a ruling party and there is opposition there is no legislation that says the ruling party must do things without taking issues to council for debates, it means everything that is done, councillors from different political parties represented in the council should put their views,

but then the majority will decide. So, the competition is fair enough (Interviewee 6, 2023).

This outcome concurs with Schoute et al. (2018), who found that the root cause of much municipal failure is attributed to political parties that undermine the integrity and functioning of municipal councils through intra- and interparty conflicts and inappropriate interference in council and administration.

However, the principles of democracy, accountability, and transparency should be upheld as a means of promoting responsible governance and representation. Participants emphasise the importance of a multi-party system, where different political parties can contest elections and serve as either the governing party or the opposition, promoting a system of checks and balances. This is confirmed by the following participant:

If there is a party that feels that the decision that was taken was not duly, they can always approach the speaker of that council to review the matter or they can always take the matter to court. That is democratically allowed, so the competition is there and any political party that want to be superior to others, it can always contest and win elections and the other becomes the opposition (Interviewee 18, 2023).

This outcome concurred with the findings of Lapuente and Van de Walle (2020), who suggested that political accountability refers to a system of checks and balances that regularly and transparently punishes or rewards people who hold positions of public trust. Similarly, Natal'ya et al. (2016) argues that this segmentation acts as a pivotal condition for exercising effective oversight over the functioning of the state apparatus. By ensuring a clear separation of roles and responsibilities, the system can prevent the concentration of power and promote checks and balances.

5.2.2.4 Audit and accountability challenges

This sub-theme examined the significance of accountability and transparency in municipal financial management and the potential consequences of failing to achieve clean audits, including a loss of trust and investor confidence.

Participants acknowledged that achieving a clean audit can be challenging. However, they emphasise that it serves as a critical indicator of a municipality's ability to maintain control and accountability over its financial affairs. The participants suggest that municipalities should

work towards obtaining clean audits, as this not only fosters trust and investment but also demonstrates their capacity to manage resources effectively. This is confirmed by the following participant:

I think the municipalities obviously have various reasons why they don't get clean audit but if most of them will strive towards that I think it will be much easier for them to get money because people will invest and will gain trust. Even though there could be flaws in getting a clean audit as some people may suggest but also it just an indicator that there are certain things, key things that you have under your control and if you don't get a clean audit that means you are not in control and people are going to move away from you (Interviewee 7, 2023).

In addition, the significance of sound financial governance in accessing external funding and maintaining fiscal health cannot be overemphasised. Participants argued that clean audits are not solely indicative of financial compliance but also act as a signal to potential lenders that a municipality is capable of managing funds according to budget plans. This, in turn, enhances the municipality's financial credibility and trustworthiness. This outcome aligns with the findings of the Auditor General South Africa's report (2015), which concluded that the root causes of poor audit outcomes in municipalities included key positions not being filled, key officials lacking the appropriate competence, inadequate consequences for poor performance and transgressions, and a slow response by leaders to address all of the above.

5.2.2.5 Resource allocation and centralisation

This sub-theme examined the need to re-evaluate resource allocation in the interest of the community. The majority of the participants felt that there is a lot of resource abuse in municipalities. They advocated for a shift away from excessive decentralisation and towards a more consolidated approach. This perspective suggests a desire for greater efficiency and effectiveness in resource allocation, aiming to maximise impact at the grassroots level. This is confirmed by the following participant:

What we must start asking in the interest of the people is how we can consolidate resources so we can have much more input on the ground rather than being very decentralised (Interviewee 10, 2023).

This finding was supported by Mensah (2020), who discovered that municipalities' low performance has been attributed in large part to unethical behaviours, both in the financial and

performance domains. Corruption, which takes many forms, including bribery, embezzlement, fraud, extortion, abuse of power, conflict of interest, favouritism, and nepotism, is the antithesis of good governance in public financial administration. Likewise, Fourie (2019) conclude that corruption causes public monies to be misappropriated, utilised to enrich a chosen group of people or organisations, or redirected from government revenue to private gain.

Moreover, participants expressed that nothing was in place in terms of resources for critical use, particularly in emergency or disaster situations. They advocated for these resources to be centralised at the provincial level. This is confirmed by the following participant:

I think national has to play a big role in terms of making allocations, in terms of resources it much better to control it, we have a national disaster centre and a provincial disaster centre so CoGTA is responsible for the municipalities so rather consolidate the resources at the provincial level (Interviewee 19, 2023).

Martinez-Vazquez et al. (2017) The provision of services in a decentralised government system empowers local governments to offer a combination of services within their respective operational domains, as opposed to a centralised government system where understanding local challenges and preferences might be lacking. Criticism of the centralised government system has been consistent, with claims that it hinders the efficiency of public service delivery (Wangari, 2014, cited in Nzulwa, Iravo, and Wagana, 2017).

However, some of the participants felt that there is a lot of interference from central government and politicians in the work of local municipalities. They argue that there should be more autonomy in developing and implementing projects. This perspective underscores the importance of decentralisation in decision-making processes to ensure that policies and regulations are better suited to the specific contexts of individual municipalities, promoting more effective and responsive governance. This is confirmed by the following participant who conveyed the same opinion:

In terms of bylaws, I feel it is better if local municipalities develop and implement their own bylaws because at national, I think they are a bit out of touch with what is happening at local level. I mean the kind of life that exist or that is lived by the people locally might not be the same as that at a national level (Interviewee 13, 2023).

This result was consistent with the findings of Masiya et al. (2019), who discovered that municipalities, especially rural ones, lack sufficient financial autonomy due to an unfair budgeting process influenced by political interference. Likewise, Matsiliza (2017) pointed to political interference as a major challenge for South African municipalities in managing their finances.

5.2.2.6 Revenue collection challenges

The sub-theme underscores the need for a nuanced approach by municipalities on revenue collection that considers the economic circumstances of residents while ensuring the continued provision of essential services. It reflects the complex balance that municipalities must strike between financial sustainability and the socioeconomic realities of their constituents.

Participants recognise the problem of non-payments for sustaining service delivery and emphasise this as a real economic constraint faced by the community. This is confirmed by the following participant who conveyed the same opinion:

Paying for water is a problem but it supposed to be done so that service delivery can continue. But when you look at the community, people are not working and that makes it difficult for them to pay for water since they are not working. They use more water if they are at home and the water consumption increases, and when they must pay it then becomes a challenge to pay, however paying is important so that service delivery can take place (Interviewee 17, 2023).

This result is in line with the Auditor General South Africa report (2015), which noted that the financial health of many provinces has deteriorated since the 2012/13 financial year. They face severe cash flow constraints, resulting in late payments to creditors, a situation that significantly impacts service delivery.

However, the issue of incomplete billing systems poses a significant hurdle for municipalities. Some participants felt that some customers are not properly integrated into the billing system, highlighting a gap in the municipality's ability to collect revenue effectively. This is confirmed by the following participant:

Some customers are not on the billing system and that is another challenge that the municipality needs to deal with (Interviewee 16, 2023).

This result was consistent with the results of Dlamini and Reddy (2018), who discovered that the municipality's ability to effectively design and implement the internal systems to carry out

its responsibilities depends in large part on its capacity to allocate public resources in a way that promotes development and sustainability.

5.2.3 Capacity evaluation and improvement

This primary theme examined several sub-themes, including performance metrics, financial accountability, community engagement, technology utilisation, resource management, and transparency and reporting. It signifies a comprehensive assessment of the uMgungundlovu district municipality's ability to effectively implement fiscal decentralisation. It was informed by various sub-themes summarised in the diagram below:

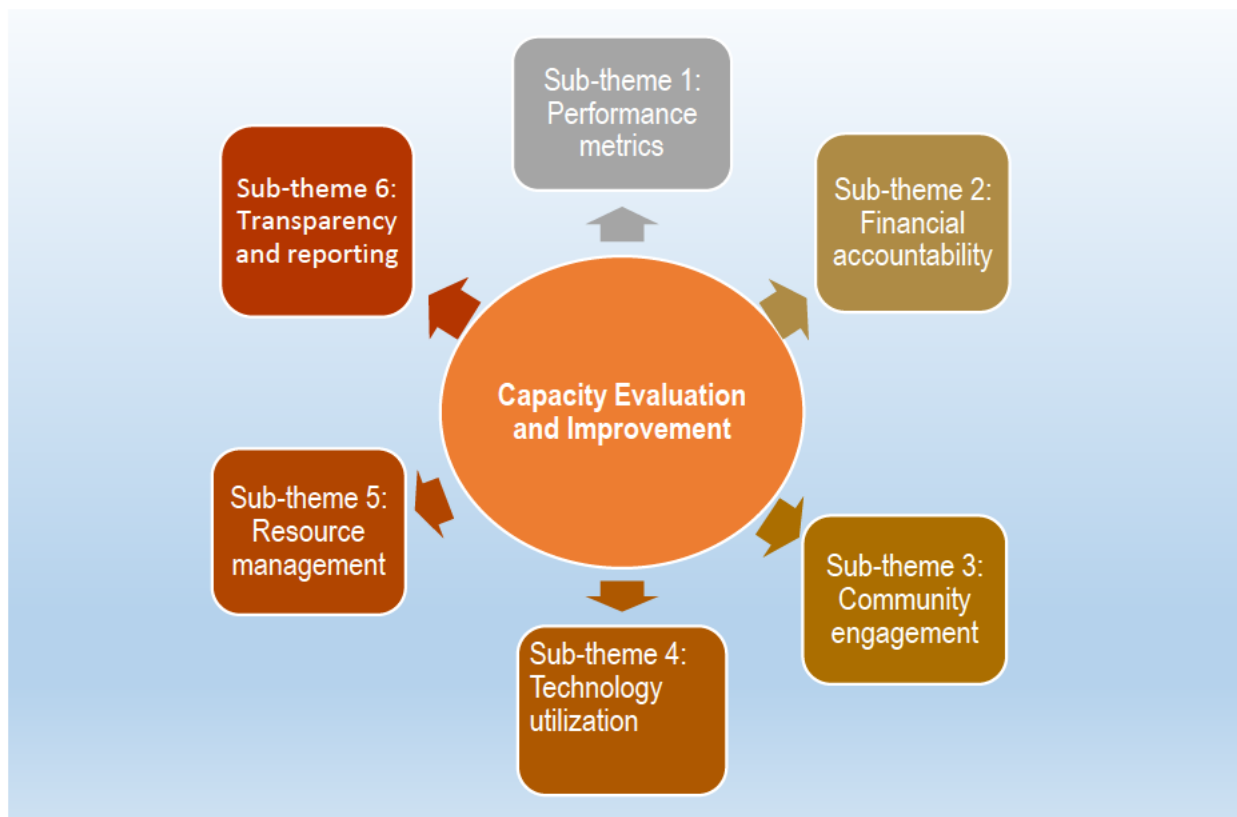


Figure 5.4: Sub-themes for main theme 3

5.2.3.1 Performance metrics

This sub-theme stresses the significance of obtaining a clean audit as a crucial performance metric for municipalities. While there might be various challenges preventing municipalities from achieving clean audits, striving for this benchmark is vital.

Participants argue that financial compliance is necessary as it serves as an indicator of a municipality's ability to control key aspects of its operations. Such control fosters trust among

investors and the community, potentially attracting more investments and support. This is confirmed by the following participant who conveyed the same opinion:

I think the municipalities obviously have various reasons why they don't get clean audit but if most of them will strive towards that I think it will be much easier for them to get money because people will invest and will gain trust. Even though there could be flaws in getting a clean audit as some people may suggest but also it just an indicator that there are certain things, key things that you have under your control and if you don't get a clean audit that means you are not in control and people are going to move away from you (Interviewee 7, 2023).

This result agreed with those of Pretorius (2017), who found that the performance appraisal and management system, primarily aimed at compliance, falls short of enhancing the administration of procurement practices, as evidenced by persistent unethical challenges in procurement environments. Similarly, Van Niekerk and Sebakamotse (2020), concluded that non-compliance with laws and regulations is another major cause of unethical behaviour.

Additionally, participants emphasise that when municipalities seek funding, potential lenders scrutinise their history, including their audit performance. Lenders are more inclined to provide funds to municipalities with a clean audit history, viewing it as a sign of fiscal responsibility and a reduced risk of default. This is confirmed by the following participant:

Grants does play a big role in terms of the performance of the Municipality but it boils down to the planning of the institution uMgungundlovu in this case, in how we plan to utilise our grants base on the current situation I think our grants are sufficient to ensure that the infrastructure that we are looking for is rolled out as per our plans but in terms of the implementation there is a problem but I believe that the grant funding that we receive as a municipality is enough, the only problem is financial management of those grants (Interviewee 10, 2023).

This result agreed with Rulashe and Ijeoma (2022), who found that improvements in performance and service delivery, protection from unethical behaviour, resource mismanagement, and power abuse, as well as increased integrity and public trust in local government are the main goals of accountability and oversight in municipal financial management.

5.2.3.2 Financial accountability

This sub-theme examine the direct relationship between accountability and residents' willingness to pay for municipal services. Financial accountability is not merely a bureaucratic requirement but a pivotal factor in building trust and fostering a sense of responsibility among residents and authorities.

Participants argued that municipalities should demonstrate transparency and accountability in managing their finances and provide clear records of budget allocation and expenditure. Residents are more inclined to willingly pay for utilities such as water, electricity, sanitation, and refuse removal when there is accountability and transparency. This is confirmed by the following participant:

If I see that the municipality where I stay the accountability is there, it's open, here are their books, this is how they prioritise and allocated fund for various services. I will be happy to pay for my utilities, in other words, for water, electricity, sanitation, refuse removal, I will pay happily. Right now you not getting that willingness because people do not believe that money is accounted for and used wisely (Interviewee 4, 2023).

This result was consistent with the findings of Bernal et al. (2019), who discovered that the importance of having well-qualified and capable professionals, implementing procurement procedures and bid processes that prioritise accountability and transparency, and ensuring the attainment of value for money, integrity, and competitive practices. Similarly, Chitimira et al. (2023) concluded that accountability is therefore a vital factor in determining the condition of governance in municipalities.

However, some participants felt that local government should be considered an independent sphere of government with its own resources and responsibilities. While acknowledging the need for accountability, participants argue against excessive interference or dictation from higher levels of government. This was confirmed by the following participant:

For me local government it a sphere of government itself, I believe that it is there, and it has got many resources and it is the entire entity of its own. So, there should not be any dictation. They are not children so I believe in fairness, its fine they can employ and fire as they wish. It just that they need to know what they are doing. It must take into consideration provincial as well as national government but for the

good of the service it just an accountability on the municipality. They need to be taught accountability instead of dictating to them (Interviewee 14, 2023).

This result was consistent with the findings of Sow and Razafimahefa (2015), who discovered that an effective independent local government, heightened accountability at critical levels, good governance, and well-capacitated local institutions are necessary for fiscal decentralisation to improve performance. Likewise, Sumah and Baatiema (2019) concluded that administrative decentralisation can be defined as the de-concentration of powers, functions, and authorities from higher to lower levels of government within the line of bureaucracies, the delegation of powers to essentially independent bodies, or the transfer of duties to independent local governments.

5.2.3.3 Community engagement

This sub-theme examined the importance of public participation in municipal governance. The majority of participants argued that public participation is not just a matter of choice but a necessity, emphasising that elected representatives have a responsibility to engage with and report back to their communities. This is confirmed by the following participant who conveyed the same opinion:

Even as Treasury, CoGTA is monitoring certain information that needs to be publicised and ourselves, for instance we check if the budget was publicised and that public participation was conducted (Interviewee 1, 2023).

This outcome agreed with the findings of Macharia et al. (2014), who concluded that decentralisation enhances participation, design, and mechanisms of participation within subnational governments, encouraging community engagement. Participants emphasised the importance of ensuring that these processes are conducted transparently and in accordance with regulatory requirements. This highlights the role of government agencies in overseeing community engagement activities to promote transparency and inclusivity in municipal decision-making. This is confirmed by the following participant:

This conclusion was consistent with the findings of Engdaw (2022), who discovered that an efficient, transparent, and accountable public administration is crucial for effective governance and successful public service delivery, serving as the main conduit for government strategies. Public administration also plays a pivotal role in the relationship between the state, civil society, and the private sector, contributing to equitable growth, poverty reduction, peace, and

stability. Likewise, Mngomezulu (2020) found that the primary focus of public administration is to ensure there is efficient, accountable, and equitable delivery of services and the responsible use of public resources for the betterment of society.

Furthermore, public participation fostering a strong and sustained connection between municipalities and the communities they serve, promoting active engagement and collaboration in decision-making processes. Some participants stressed the need for continuous and direct involvement of the public in municipal affairs. This is confirmed by the following participant:

Public should be directly involved, and also public participation must not be looked at a particular period it must be a day-to-day thing (Interviewee 10, 2023).

This outcome also concurred with the findings of Pretorius (2017), who found that the local government, in line with its developmental goals, must give priority to the essential needs of the community, focus on fostering development, be open to the concerns of its residents, and actively encourage citizen involvement in shaping policies.

5.2.3.4 Technology utilisation

This sub-theme outline the potential benefits of technology in enhancing service delivery, communication, and transparency within municipalities. Participants felt that embracing various technological platforms can facilitate easier engagement between the municipality and residents, enabling efficient feedback, criticism, and appreciation of municipal activities. This is confirmed by the following participant:

So, at the moment yes, a call is important but also it takes a lot for people to call, sometimes they hold sometimes whereas if there is something like an instant message or an sms, you just send whether they respond or not but as long as they got data it what they do with it. Some people can in places like Johannesburg where you login in such complains, it also gives you a message back that it has been delivered and the municipalities are attending to it, so suddenly now you have a lot of data that is available to be able to make decisions and that what you should be using technology for (Interviewee 9, 2023).

This comment is in line with the conclusions of Huda (2022), who discovered that the increasing workload in public service, the accumulation of paperwork, the fast-paced evolution of technology, and ongoing research into administrative techniques necessitate a comprehensive review of the current procedures and approaches utilised by public institutions.

In addition, the convenience and efficiency of various communication methods, including instant messaging and SMS, in engaging with municipalities is critical for fiscal decentralisation. Some participants felt that technology can provide quicker and more accessible channels for residents to report issues and receive updates on municipal responses. Hence facilitating efficiency and effective decision-making processes and improve service delivery. This is confirmed by the following participant who conveyed the same opinion:

This outcome also concurred with the findings of Governance Institute of Australia (2015), which discovered that positive intentions, clarity about roles, effective communication, established protocols, and a solid grasp of legislative obligations are the key factors that can impact this relationship and shape the calibre of services provided.

5.2.3.5 Resource management

This sub-theme examined the capacity and the importance of balanced and efficient resource management to ensure holistic and sustainable development within the district municipalities.

Participants expressed concerns about the focus of the uMgungundlovu district municipality on housing infrastructure at the expense of essential services. They argue that this funding gap often falls on district municipalities to address, emphasising the need for a more comprehensive and coordinated approach to resource management. This is confirmed by the following participant:

Because now there is this expectation that we are going to deliver with limited resources and with funding that is there at human settlement. I am just looking at this thing with an open mind. If the funding that they have is only limited to the housing infrastructure. There is no one who is looking at what is going to happen with the services. Then it ends up with district municipalities to fill in the gap (Interviewee 1, 2023).

This finding aligns with section 153 of The Constitution of the Republic of South Africa of 1996, which outlines that the primary purpose of local municipalities is to ‘organise and manage their administration, budgeting, and planning processes to prioritise the basic needs of the community, promote the social and economic development of the community, and participate in national and provincial development programs.’

Furthermore, participants expressed concerns about the misplacement of priorities in capital projects, especially regarding water and sanitation. They emphasised the importance of

effective planning and implementation to gradually enhance water supply and infrastructure. They also highlighted the significance of prudent resource management as a means to achieve long-term sustainability and promote community well-being. This is confirmed by the following participant who conveyed the same opinion:

...what needs to happen when it comes to capital projects especially when it comes to water, it should be the main driver because everybody needs water. Water comes with sanitation. I think to a certain extent yes, the municipality has tried but also there is a room for improvement, with limited resources. Yes, there are grants for capital projects which I believe those grants cannot cover the backlog at once. But if proper planning and implementation is done by a certain period the municipality will be in a better position in terms of water supply (Interviewee 7, 2023).

This outcome concurred with the findings of Dlamini and Reddy (2018), who noted that local municipalities are required to give their communities services that are a priority, well-informed by a collaborative process, and sustainable.

However, some participants argue that communities, with assistance from their local councillors, should have a say in determining which services are essential for them and when these services should be provided. The participants advocate for a bottom-up approach where the community plays a central role in shaping the allocation of resources and funding decisions, ultimately enhancing resource management and service delivery outcomes. This is confirmed by the following participant:

the community must identify services with the assistant from the councillor, and then the national department can assist in funding those projects and in providing resources to implement those projects, but the community should be the one deciding what services to be offered for them and when they should be offered, they are the ones that can prioritise their needs (Interviewee 12, 2023).

This aligns with the observations made by Dlamini and Reddy (2018), who emphasised that local municipalities are obligated to provide their communities with essential services that are prioritised, developed through a participatory approach, and designed for long-term sustainability.

5.2.3.6 Transparency and reporting

This sub-theme examined the importance of open and honest communication between municipalities and the public. Participants stressed that municipalities should be transparent in their operations, budgets, and resource allocation to prevent rumours and misperceptions. The participants advocate for clear and accessible information sharing, ensuring that the community understands the budget distribution and allocation processes. This is confirmed by the following participant who conveyed the same opinion:

Municipalities should be open and allow public scrutiny, and transparency, so that there will not be rumours, because people assume things if you are not open, DM must be clear especially in terms of the budget. They need to tell them that this is how much they are given and it's not only for you but it's for the entire DM, and this is how it will be distributed. This time it's others and maybe next time will be you. Information sharing is important, nothing should be hidden from the community and be known by officials only. Even though it will not be detailed, but they need to be aware generally (Interviewee 11, 2023).

This outcome was in line with the findings of Aziz et al. (2015), who found that accountability is inherently tied to effective governance. This implies that public institutions responsible for managing finances, conducting public affairs, and safeguarding human rights must do so in a manner that is entirely devoid of misconduct and corruption, while remaining compliant with the law.

5.2.4 Enhancing fiscal decentralisation and local governance

The main theme examined the approaches to enhance fiscal decentralisation and local governance. It was informed by the following:

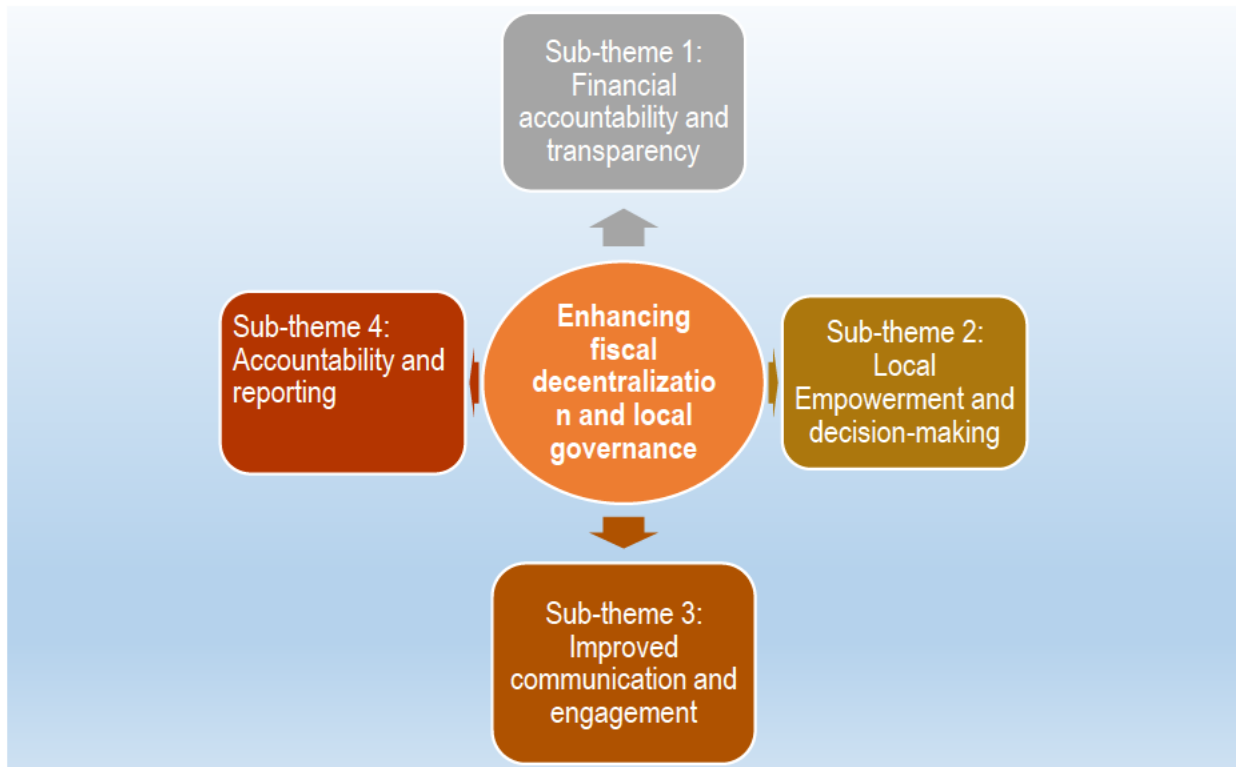


Figure 5.5: Sub-themes for main theme 4

5.2.4.1 Financial accountability and transparency

This sub-theme outlined the significance of audits for municipalities. Participants argued that the commitment to financial accountability and transparency is a means to not only ensure proper financial management but also a way of gaining the trust of both investors and the public. This is confirmed by the following participant:

I think the municipalities obviously have various reasons why they don't get clean audit but if most of them will strive towards that I think it will be much easier for them to get money because people will invest and will gain trust (Interviewee 5, 2023).

This outcome strongly concurs with the observation of National Treasury (2019), which concluded that the difficulties faced by municipalities can be traced back to a decrease in public confidence in these institutions. This decline is linked to increasing dissatisfaction resulting from inadequate governance and corruption, both of which have played a role in the unsatisfactory delivery of services in numerous municipalities.

Moreover, the participants emphasised the importance of financial discipline through ring-fencing funds. They argue that funds generated from specific services, such as water,

electricity, or roads, should be allocated exclusively to improving and maintaining those services. This is confirmed by the following participant:

The finance department at uMgungundlovu they need to make sure that the money is ring fenced. Whatever revenue comes in is kept for stabilising and enhancing water services because the biggest problem right now, is not eradication of backlogs, is the existing infrastructure in the ground that is collapsing. I think you will agree with me. That's where we need to turn our focus on. Let's start ring fencing. The water services revenue collection is ring fenced. If its electricity you are doing, its ring fenced, roads whatever. Any municipality whatever they are doing they need to start ring fencing. You can't take all the water money profits and fix all the roads. It makes no sense. I know that road needs to be fixed but that's another story. It needs to be separated. It needs to be discrete (Interviewee 4, 2023).

This result does not support the findings of Fourie (2019), who found that corruption leads to the improper use of public funds, benefiting a select group of individuals or entities, or diverting government revenue for personal gain.

Furthermore, the participants emphasised the importance of developing a well-structured and comprehensive business plan for municipalities before seeking loans or financial support from national or external sources. They highlighted the need for thorough planning that encompasses not only the initial investment but also ongoing operations, maintenance, and asset replacement. This is confirmed by the following participant:

Borrowing of money nationally or from Financial Institution can work. It's viable. But you have to have a solid business case. I think the problem with some of the attempts by municipality to date regarding sponsors, borrowing or loans, even from DBSA or some overseas funders, I do not think the municipalities have been putting together a solid business case, where an investor can say this thing is watertight, and they have considered operations and maintenance, considered asset replacement all these things (Interviewee 14, 2023).

This outcome concurred with Section 153 of the Constitution, which states that municipalities must structure and oversee their administrative, budgeting, and planning processes to prioritise community needs and foster social and economic growth. Similarly, RSA: DTA (2014h), declared that the Accounting Officer holds the responsibility of creating the department's

medium-term strategic priorities, which are then transformed into yearly operational or business plans. Also, the Component Managers are tasked with delineating component goals and crafting business plans that outline objectives, outcomes, targets, staff responsibilities, and budget allotments.

5.2.4.2 Local empowerment and decision-making

A more inclusive and cooperative approach, where different parties work together to ensure a more balanced and informed decision-making process is commendable. The participants believed that the collaboration and cooperation among political parties within local government is productive. They suggest that when one party dominates, there can be concerns of bias and partisanship, which may hinder effective governance and community representation. This is confirmed by the following participant:

If one party rules there are problems of bias about the party, that does not help in the community. It is better when the parties are working together so that they will have knowledge of what is going on (Interviewee 18, 2023).

This result was consistent with the findings of De Kadt and Lieberman (2020), who concluded that the concept of implementation extends beyond traditional top-down approaches in public administration. They highlighted that it frequently occurs within a framework where individuals from diverse public and private organisations collaborate in informal teams to execute programs. Similarly, the RSA Presidency (2009b) emphasised that achieving various government outcomes relies on coordinated efforts across different departments and public entities through collaborative initiatives, programs, projects, and services.

Some participants emphasise the importance of community involvement in decision-making processes. They highlight that community meetings provide a platform where both elected councillors and community members can engage in discussions and decision-making. This is confirmed by the following participant who conveyed the same opinion:

Yes, there are community meetings, and the community is part of those meeting and the councillors (Interviewee 19, 2023).

This result was in line with that of Zhang and Hewings (2019), who opposed the idea of having local government systems that appear to discriminate against community engagement. This viewpoint is also upheld by Karuaihe et al. (2016), who argue that Community-Based Management (CBM) of water sources presents alternative approaches to improve water

accessibility and administration in rural areas. To achieve this goal, a coordinated strategy involving the community, government, and, when relevant, the private sector is necessary. This cooperative effort aims to develop critical infrastructure and establish effective community-based institutional arrangements.

However, participants argued that sometimes politicians can be the source of conflicts. They emphasised that politicians often fail to effectively translate policy decisions into implementation while neglecting to engage with the community. This lack of engagement can lead to conflicts between the community and municipal officials. This is confirmed by the following participant:

Politicians are supposed to be the ones who understand policies as the owners of municipalities. They are the highest decision-making body in the municipalities. Sometimes the politicians just approve policies. You will find that when an official implements this policy, to say that in terms of the policy of the council, I need to go maybe and restrict your water supply, and then the community will lay a complaint with the councillor. The councillor will come and fight with the official (Interviewee 19, 2023).

This outcome disagreed with the findings of Yu et al. (2022), who concluded that politicians play a crucial role in the promotion of good governance and democracy. As representatives, they derive their mandate to rule from the people and must therefore serve them to the best of their ability. However, the authors observed that the poor relationship between politicians and administrators has led to high levels of administrative turnover in the local government sphere.

5.2.4.3 Improved communication and engagement

This sub-theme examined the importance of embracing modern communication methods to enhance community engagement. Participants suggested that relying solely on traditional mode of communication may not be sufficient and that utilising social media and technology can significantly improve communication between municipalities and their residents.

Moreover, participants stressed that effective communication should not only inform residents about the importance of resource conservation but also encourage them to take ownership of critical infrastructure. This is confirmed by the following participant who conveyed the same opinion:

People need to be educated when you talk about water because it is a scarce resource especially in South Africa so we need to look after it, the community must take ownership of the infrastructure (Interviewee 12, 2023).

This view agreed with that of Masiya et al. (2019), who concluded that simply endorsing a draft document presented by an administration without active involvement and scrutiny will not lead to true ownership or responsibility.

Furthermore, participants emphasised the value of engaging residents in information sharing, which can inform future planning and resource allocation. This approach not only promotes transparency but also helps prevent miscommunication. This is confirmed by the following participant:

So, you must actually utilise the residence to get your data in because the data will inform you what to do in terms of planning. So, you want to extract data out of the residence so that you make better decisions in the future, and people like to be engaged not only in complains but also in telling them good news and it can also prevent a lot of miss communication (Interviewee 19, 2023).

This outcome agreed with the findings of Sethunyane (2021), who found that the administration can enhance good governance by offering guidance and assistance in the realm of consultation and engagement, implementing effective mechanisms for routing complaints and inquiries to the appropriate departments, and upholding responsive services and procedures in support of good governance.

5.2.4.4 Accountability and reporting

This sub-theme examined the need for municipalities to be transparent and proactive in communicating their financial status and challenges to the public. The participants stressed that municipalities should regularly provide clear and concise information about their financial health, grant utilisation, and any issues they face. This is confirmed by the following participant:

They must show the public whether the municipality is in debt or applying for rollover in terms of grants. They do not have to provide great detail, just say the municipality spend 90% of its grant. It takes a very big municipality to own up, to say this year we spend 60% of our grant. These were our challenges; these are the mitigation we are putting in place to make sure that next year we spend 100%, this

is how you can help with this thing and we apologies, because these things will eventually come out to the public domain. Why do you wait until a news reporter put it in his own convoluted words and even give it a worst impression? Why? There are spies everywhere. What the people want more than anything is accountability (Interviewee 4, 2023).

This outcome concurs with Chitimira et al. (2023), who found that accountability plays a crucial role in assessing the state of governance within municipalities.

Additionally, participants highlight the need for systems that include checks and balances to ensure transparency and accountability in municipal operations. Moreover, they stress the significance of providing platforms for councillors to engage with residents and for residents to voice their concerns and frustrations. This is confirmed by the following participant:

You need agility at the local government because this is where the action is, you need systems where you have balancing checks, you need also an easier way for councillors to communicate with the locals or the residences and a platform where all the residences can share their frustrations (Interviewee 15, 2023).

This result aligned with the conclusions of Ndebele and Lavhelani (2017), who determined that maintaining public accountability at the local level is a cornerstone of any democratic system. Failing to be accountable could lead to the perception that local authorities are operating beyond the necessary governance, legal, and due process requirements, which serve as critical safeguards against potential abuses of power within the lower levels of government. In a similar vein, Natal'ya et al. (2016) found that segmentation plays a crucial role in ensuring effective oversight of the state apparatus. Through a clear separation of roles and responsibilities, the system can prevent power concentration and foster checks and balances.

5.3 Chapter summary

This chapter presented a comprehensive report on the findings derived from the conducted interviews. The discussion was structured around five key themes, namely local governance and fiscal management, challenges within the current fiscal decentralisation framework, capacity assessment and enhancement, strategies for improving fiscal decentralisation and local governance, and concludes with recommendations and practical implementation strategies. The following chapter will examine into the findings from the focus group discussions.

CHAPTER SIX: FINDINGS AND DISCUSSION FROM FOCUS GROUP DISCUSSIONS

6.1 Introduction

In the preceding chapter, the study delved into the insightful findings gathered through a series of interviews, shedding light on critical aspects of local governance, fiscal management, challenges within the current fiscal decentralisation framework, capacity assessment and enhancement, as well as strategies for bolstering fiscal decentralisation and local governance. As the research shifts its focus towards the outcomes of the focus group discussions, this chapter pivots its attention towards these deliberations, guided by the research objectives, which seek:

- To examine the existing fiscal decentralisation practices and mechanisms within the uMgungundlovu District Municipality.
- To analyse the challenges and gaps in the current fiscal decentralisation framework in the uMgungundlovu District Municipality.
- To evaluate the institutional capacity of the uMgungundlovu District Municipality to implement and manage the proposed fiscal decentralisation framework.
- To propose a comprehensive framework for fiscal decentralisation tailored to the specific context of the uMgungundlovu District Municipality.
- To provide recommendations for policy adjustments and practical strategies that can facilitate the successful implementation of the conceptual fiscal decentralisation framework in the uMgungundlovu District Municipality.

The principle aims of this study is to explore the impact of fiscal decentralisation on water and sanitation service delivery at uMgungundlovu District Municipality using the fiscal decentralisation framework.

6.2 Target participants

The focus group discussions in this study involved a purposefully selected sample of eight (8) participants, each of whom brought valuable perspectives and experiences to the dialogue. These participants were drawn from a diverse range of organisations, including engineering consultants, National government department, local government, State-owned entity, provincial government department, project steering committee, and community-based organisation. This deliberate selection process ensured that the individuals actively engaged

with or collaborated closely with the uMgungundlovu district municipality, aligning with the study's objectives. Notably, the sample excluded councillors, traditional leaders, and individuals who were not directly involved in financial administration and service delivery within the target population.

The focus group discussions were conducted in two separate sessions, the first on June 30, 2019, and the second on July 20, 2019, both taking place at the uMgungundlovu District Municipality offices in Pietermaritzburg, South Africa. Each discussion group consisted of four (4) participants, and these dialogues were characterised by their depth and extensive engagement, spanning over two hours in each session. This robust exchange of insights and ideas from a diverse group of participants enriched the research findings.

6.3 Findings from the focus group

The primary aim of content analysis is to assess the contextual implications of a transcript (McKinney & Cook, 2018). This technique, commonly used by scholars to examine narrative data (Braun & Clarke, 2016), is non-numerical and focuses on scrutinising the transcript's content within the context of the study (Dhakai, 2022). Qualitative content analysis was employed in this study to analyse the transcript's substance by applying codes to various themes and patterns identified. Grouping the information into themes, subthemes, or patterns greatly facilitated the analysis and interpretation of non-numerical data. The analysis specifically sought recurring themes that directly addressed the research questions, enabling the researcher to comprehensively investigate the phenomenon through a textual interpretation of the transcripts, presenting logical arguments from multiple perspectives. This study utilised qualitative research, employing focus group discussions for data collection and analysis. Thematic analysis, supported by NVIVO, was used to analyse the collected data.

Data analysis typically entails condensing and summarising the data to make it more comprehensible, looking for trends, and occasionally using statistical approaches (McKinney & Cook, 2018). According to Schoonenboom and Johnson (2017), thematic data analysis is frequently employed in qualitative research projects. With this strategy, the data are divided into several categories according to how pertinent they are to the research question. Researchers can recognise and extract data themes and patterns that help to a deeper understanding of the research issue by using thematic data analysis.

6.4 Overview of the focus group

The focus group discussions conducted as part of this research involved eight participants from various organisations, representing a diverse spectrum of stakeholders closely associated with the uMgungundlovu District Municipality. These participants included representatives from Mpofana Local Municipality and uMgungundlovu District Municipality, reflecting the local government sector. Additionally, there was a participant from the private sector, specifically the Institutional Social Development sector, and another from the state-owned entity Umgeni Water Board. A participant from a Community-Based Organisation affiliated with the Traditional Authority was included, along with representatives from the National government department of Water and Sanitation and the Provincial government department of Cooperative Governance and Traditional Affairs. This strategic selection ensured a comprehensive and multi-faceted perspective on the issues related to fiscal decentralisation and local governance.

The focus group discussions were conducted across two separate sessions, one held on June 30, 2019, and the other on July 20, 2019, both taking place at the uMgungundlovu District Municipality offices in Pietermaritzburg, South Africa. Each discussion group was composed of four participants, resulting in two separate groups actively engaging in dialogue. Invitations to participate in these discussions were extended to the chosen representatives, along with a clear explanation of the workshop's purpose, as outlined in the informed consent letter. It was observed that some participants already possessed prior knowledge of fiscal decentralisation, which occasionally made them more assertive within their respective groups. The uMgungundlovu District Municipality played a pivotal role in facilitating the logistical aspects of these discussions, contributing to the overall success of the sessions. This collaborative effort among participants from different sectors and the active involvement of the municipality enriched the depth and diversity of insights gathered during the focus group discussions.

6.5 Findings from focus group discussions

Focus groups are a qualitative research method where a small, diverse group of participants engage in open discussions facilitated by a researcher to gather in-depth insights into specific topics (Ciesielska & Jemielniak, 2018). In the context of this study, focus group discussions served as a valuable means of exploring and understanding various aspects related to fiscal decentralisation and local governance. The collected data from focus groups underwent an analysis process akin to other qualitative self-report data (Kitzinger, 2005). Researchers

followed a systematic approach that involved organising and comparing discussions that revolved around similar themes while considering the variables within the sample population.

Several recurring themes emerged during the focus group discussions, shedding light on key aspects related to fiscal decentralisation and local governance. These themes provided valuable insights into the perceptions and experiences of participants. The identified themes that surfaced during the discussions include:

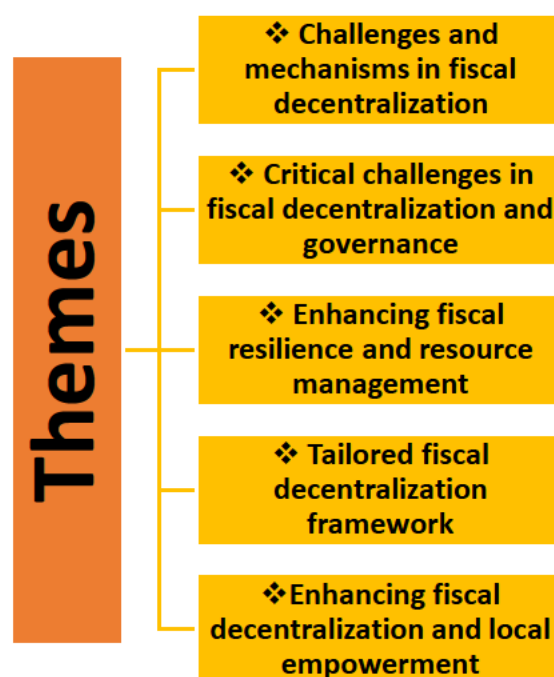


Figure 6.1: Themes

For the sake of convenient cross-referencing, the examination of data derived from the focus group discussions was framed within the context of the five primary themes outlined in Figure 6.1 earlier. The analysis involved the systematic categorisation and scrutiny of data, focusing on the subsequent thematic divisions:

6.5.1 Challenges and mechanisms in fiscal decentralisation

This main theme examined the fiscal decentralisation challenges and mechanisms within the uMgungundlovu District Municipality. It was informed by various subthemes summarised in the diagram below;

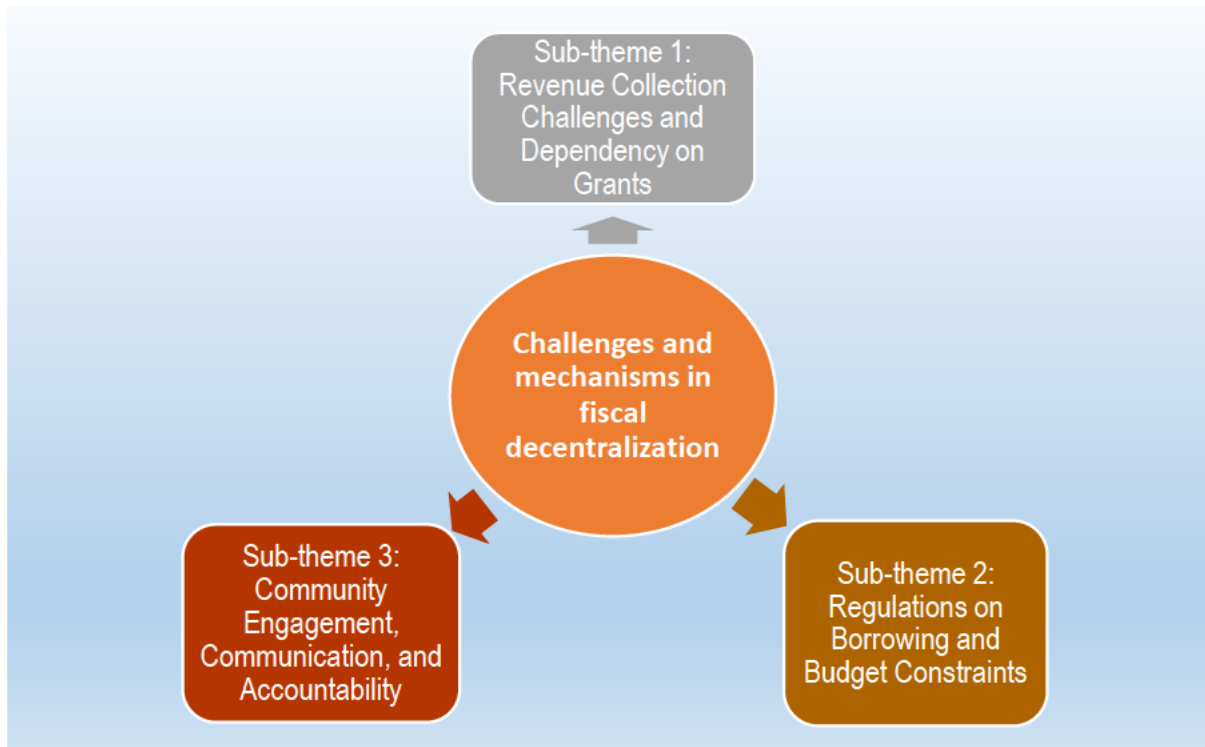


Figure 6.2: Sub-themes for main theme 1

6.5.1.1 Revenue collection challenges and dependency on grants

This sub-theme highlighted the importance of grants as a significant financial resource for the uMgungundlovu District Municipality. Participants believed that the municipality receives sufficient financial support; however, they emphasised the need for proper and effective implementation and financial management of these grants. This is confirmed by the following participants, who conveyed the same opinion, as confirmed by the following statement:

In terms of how we plan to utilise our grants based on the current situation, I believe our grants are sufficient to ensure the rollout of the infrastructure we are aiming for according to our plans. However, there is an issue with the implementation, which I believe is related to the financial management of those grants as a municipality.

This was inconsistent with the findings from the interviews under the sub-theme of financial management and auditing, where it was found that there is a need for financial support for municipalities. It was also found that borrowing was not sustainable, as it may not necessarily lead to adequate revenue generation to repay loans. This outcome also contradicts the findings

of Eltrudis (2018), who discovered that local governments have primarily relied on the banking sector for funding, in addition to tax sharing and governmental transfers.

Participants emphasised that the municipality does not collect sufficient revenue from its residents. This is primarily because its jurisdiction consists predominantly of indigent rural populations with limited capacity to pay for services. They pointed out that it depends on grants from government and other development partners. This is confirmed by the following participants who stated:

Therefore, for UMDM, dependency on grants is an ongoing practice because they cannot survive without them. This is due to the weak revenue base, especially in their focus area, which is predominantly rural. In rural areas, the population is generally categorised as indigent, with only a very small portion considered potential payers. To put it in perspective, in rural areas, we are looking at about 5-10% of the population who can pay for services, while the majority depend on either unemployment benefits, government grants, or engage in informal and temporary work, such as Zibambele.

This confirms a finding from the interviews conducted under the sub-theme of financial sustainability and resource management. It was found that indigent communities should contribute a flat rate to support municipal finances and enhance service delivery. This outcome concurred with the findings of Burger and Calitz (2021), who found that municipalities in South Africa and Poland, both being unitary states, South African district municipalities lack sufficient revenue, whereas both rural and urban municipalities in Poland can generate their own income.

6.5.1.2 Regulations on borrowing and budget constraints

This sub-theme examined the legislative restrictions and budget limitations that affect the fiscal practices in the uMgungundlovu District Municipality. Participants emphasised that municipalities are bound by legislation that prohibits them from independently borrowing money without consultation with the national treasury. This constraint arises from the municipality's reliance on grants, which, although essential for maintaining their functions, also diminishes their creditworthiness. This is confirmed by the following participants who stated:

Legally, municipalities cannot independently borrow funds without consulting the national treasury. This is because, as grant-dependent entities, they are considered

less creditworthy. Just as a child who relies on you for everything must find a guarantor when seeking a loan, municipalities seeking to borrow funds for service delivery must have a guarantor since their survival depends on grants.

This confirms the findings of the interviews under the sub-theme of governance and legislative powers, where it was observed that municipalities do not have unilateral authority to make financial decisions, especially with regard to borrowing funds. It was found that municipalities operate under legislative requirements that necessitate consultation with higher authorities, such as the national treasury, before making financial decisions. This result concurs with the 1996 Constitution of South Africa that grants municipalities the authority to generate income, but within the framework of national legislation.

Moreover, participants expressed that critical projects receive inadequate funding in the budget, especially in the areas of water and sanitation. They observed that the DM faces challenges due to limited financial resources, which impede the execution of essential projects, some of which have remained pending for over two decades.

As a department, we depend on the DM for our projects. However, we are facing challenges, particularly in the areas of water and sanitation, due to budget constraints. It's possible that the DM has overcommitted because we have numerous projects dating back to the year 2000, yet we have been unable to implement them to date due to bulk issues.

This was a confirmation of one finding from the interviews under the sub-theme of financial sustainability issues where it was observed that municipalities face financial constraints when it comes to ensuring the delivery of essential services and the overall well-being of the community. This finding aligns with the conclusions drawn by Whelan (2016) and Magagula et al. (2019), who stated that district municipalities have fewer revenue sources compared to local municipalities. They primarily depend on national transfers and equitable shares. Rural municipalities, in particular, face challenges because of their limited ability to generate revenue through taxes and service fees. This is compounded by the fact that a significant portion of their residents live in traditional dwellings.

6.5.1.3 Community engagement, communication, and accountability

The sub-theme explored uMgungundlovu District Municipality's perspective on effective communication and accountability within the context of fiscal decentralisation. Some participants raised concerns about the absence of streamlined communication channels between the municipality and the community, which has led to frustration among residents. Furthermore, they pointed out that the non-functionality of customer care centres has worsened the situation. This is confirmed by the following participants:

The kind of communication needed in situations like someone complaining about their water supply not working is lacking. There's no system in place to ensure that such complaints are properly channeled to someone who will address the issue within a specified timeframe. This lack of a structured process leaves communities frustrated. While customer care centres are supposed to exist, they are non-functional.

This confirms the findings of the interviews under the sub-theme of information and communication technology, where it was found that the municipality lacks a multifaceted communication channels approach that aligns with the evolving landscape of communication technology. This emphasises the potential for improved citizen engagement, data-driven decision-making, and effective two-way communication between municipalities and residents. This result aligns with the conclusions of Sujarwoto (2017), who conducted research to investigate the connection between political decentralisation and the quality of local public services. The study discovered that the quality of local public services is enhanced when there are robust local political institutions, well-informed citizens, heightened transparency, active civic participation through local initiatives, and the presence of community-based social organisations.

Additionally, the participants felt that councillors lack dedication to their roles, as they are meant to act as the bridge between the community and the municipality. They raised concerns about corruption among some councillors, which can hinder their ability to serve their communities effectively. This is confirmed by the following participants, who conveyed the same opinion, as confirmed by the following statement:

So if those councillors were doing their job properly, they would be representing the communities. I don't see anything wrong with that. However, currently, as it is, some councillors themselves are corrupt. As soon as they get into their positions,

most of them forget about the communities. But there are those who are still committed, so we shouldn't blame everyone.

This confirms the findings of the interviews under the sub-theme of enhancing accountability and transparency, where it was observed that corruption and misallocation of funds within municipalities were issues of concern. It was found that funds are often diverted to non-essential activities, such as community events and gatherings, instead of prioritising critical service delivery. This result is consistent with the discoveries made by Aziz et al. (2015), who observed that persistent instances of governance failures, fraud, inefficiency, corruption, insufficient internal controls, and poor financial management have transformed governance in public administration into a worldwide concern.

Moreover, some participants expressed that the community is not well-informed about government developments and limitations. They believed that open communication helps manage community expectations and improves accountability by the municipality. This is confirmed by the following participants who stated:

This is very important because communities need to be well-informed about what is happening. I believe that the more the community understands, the better it is. Sometimes, even if you focus on a particular ward where there is community unrest or protests, even if there are no services within the area, people are not naive. People just need to know if they won't receive services. When they understand that there are limited funds within the government, they should at least know when to expect those services. It's crucial not to make promises of services only during election times and then disappear afterward.

This endorses the findings of the interviews under the sub-theme of improved communication and engagement, where it was concluded that effective communication should not only inform residents about the importance of resource conservation but also encourage them to take ownership of critical infrastructure. This result aligns with the research by Dlamini and Reddy (2018), which revealed that local municipalities should provide their communities with essential, collaboratively determined, and sustainable services.

6.5.2 Critical challenges in fiscal decentralisation and governance

This primary theme examined the challenges experienced by the uMgungundlovu District Municipality regarding fiscal decentralisation. It was informed by three primary sub-themes, as unpacked below:

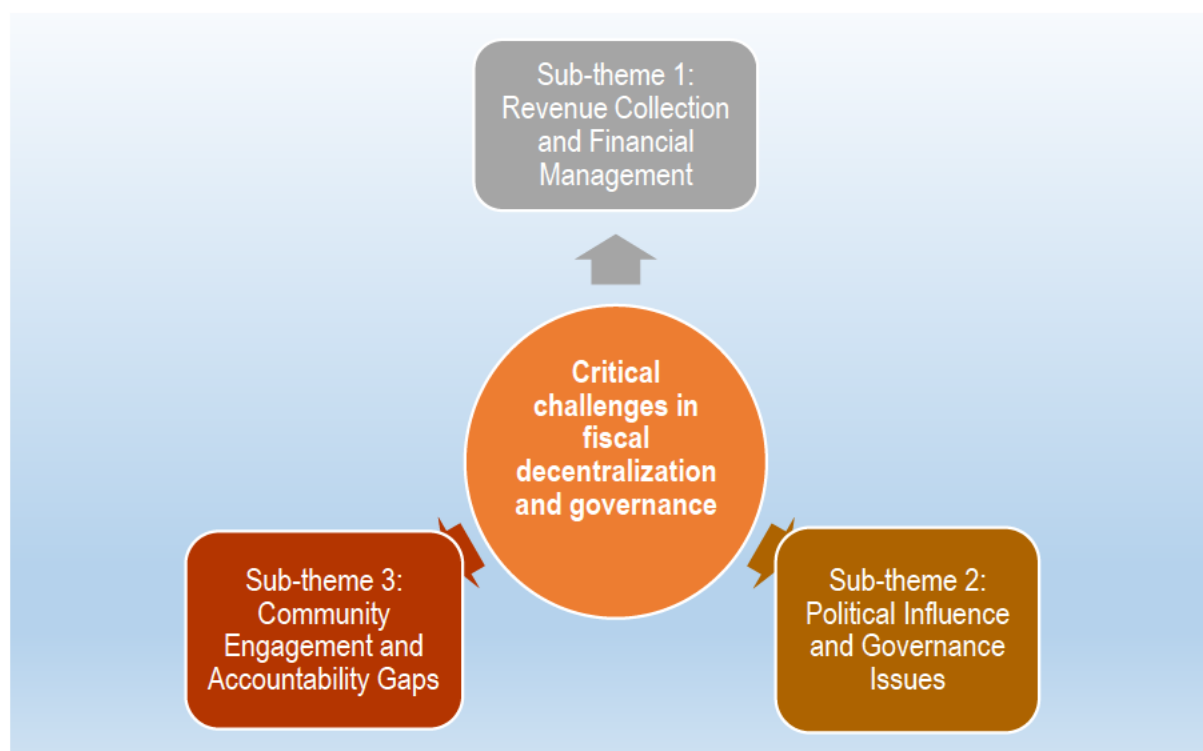


Figure 6.3: Sub-themes for main theme 2

6.5.2.1 Revenue collection and financial management

There was a plethora of challenges experienced by uMgungundlovu District Municipality in revenue collection and financial management to ensure sustainable service delivery. These challenges include a budget shortfall, outdated billing data, and low service payments. Participants indicated that the budget shortfall is a serious challenge, and this is informed by several factors. They identified several interrelated issues, including capacity constraints, systemic challenges, political factors, and administrative inefficiencies as contributing factors. This is confirmed by the following participants:

Additionally, they are running short on their allocated budget due to effective spending. This situation highlights capacity, systemic, political, and administrative issues. The tender processes often do not adhere to specific timelines, preventing timely expenditure and disrupting planning. Consequently, delays influenced by poor planning arise. Given that some municipalities heavily depend on grants, we

cannot eliminate these grants entirely. However, we cannot solely rely on increasing grants as the solution to ensuring the success of municipalities.

This was inconsistent with the findings from the interviews under the sub-theme of financial accountability, where it was observed that uMgungundlovu District Municipality lacks transparency and accountability in managing their finances and providing clear records of budget allocation and expenditure. It was found that residents are more inclined to willingly pay for utilities such as water, electricity, sanitation, and refuse removal when there is accountability and transparency. Likewise, Masegare and Ngoepe (2018) discovered that numerous local municipalities experience budget underspending, leading to insufficient community services. This issue stems from mismanagement, as these municipalities often lack the capacity to efficiently provide services.

Some participants highlighted outdated billing data as another serious challenge. They acknowledge the dynamic nature of households and individuals' financial situations, emphasising the need for regular data cleansing and updates. This is confirmed by the following participants:

Our revenue collection system relies on the information in our billing system, which is not regularly updated. I believe that family situations change on a daily basis, with people losing their jobs and facing financial challenges. Therefore, we cannot ensure that our data is cleansed annually for the next five years to improve our revenue collection. Our revenue books still reflect that all our customers can afford our services, but the reality on the ground does not align with that assumption.

This confirms the findings of the interviews under the sub-theme of revenue collection challenges, where it was found that some customers are not properly integrated into the billing system, highlighting a gap in the municipality's ability to effectively collect revenue. This finding aligns with the conclusions drawn by Dlamini and Reddy (2018), who established that a municipality's effectiveness in creating and implementing internal systems to fulfil its duties significantly hinges on its capability to allocate public resources in a manner that fosters development and sustainability.

Moreover, participants highlighted low service payments as another serious challenge within uMgungundlovu District Municipality's performance in revenue collection. They expressed

that changing the mind-set of residents to understand the importance of paying for services will take time, especially in township areas where non-payment has been a long-standing issue. This is confirmed by the following participant who conveyed the same opinion:

I don't think the municipality is performing very well. It will take time for the municipality to reach a point where people understand the necessity of paying for services. For instance, in township areas, people haven't been paying for services for a long time, even though meters are installed. Moving forward, I believe there's a need for community engagement to help residents understand the importance of paying for these valuable resources, particularly water, as uMgungundlovu is primarily responsible for water and sanitation.

This confirms the findings of the interviews under the sub-theme of revenue collection challenges, where it was observed that the problem of non-payments for sustaining service delivery is emphasised as a real economic constraint faced by the municipality. This outcome concurred with the findings of Ashworth et al. (2014), who found that high debt levels might hinder efficiency as they require more resources for interest and debt payments, potentially leaving fewer funds for municipal services.

6.5.2.2 Political influence and governance issues

There were various challenges experienced by uMgungundlovu District Municipality regarding political influence and general administration in providing services to residents. These challenges included political governance, service priority bias, and political partisanship.

Participants expressed the view that political governance poses a challenge to service delivery and fiscal decentralisation. They believed that the structure of local government, particularly municipalities, needs to be examined to better understand and address the challenges of service delivery. There is a belief that the existing political structure may not fully grasp the complexities of these expectations. This is confirmed by the following participants:

I don't believe politicians play a role in ensuring that services are proportionally provided to our community at large. The reason I am saying this is that we need to examine the structure of local government, particularly municipalities. To ensure services reach the people, you need to understand what is happening on the ground. In my opinion, our political structure doesn't fully comprehend these expectations.

Our councillors are supposed to assist the municipality in planning based on the community's priorities. However, due to their lack of understanding of local government reforms, I don't think they are fulfilling their role in guaranteeing service delivery to the public.

This confirms the findings of the interviews under the sub-theme of resource allocation and centralisation, where it was found that there was a lot of interference from the central government and politicians in the work of local municipalities. This outcome concurred with the findings of Thusi and Selepe (2023), who found that the underlying causes of tensions are multifaceted, including the distinct political affiliations of Municipal Managers and Executive Mayors, a situation that often translates into divergent ideological outlooks and policy preferences.

In addition, participants expressed service priority bias on the part of the municipality as another challenge. They argued that the municipality may prioritise areas that pay for services to ensure a consistent revenue stream from those locations, potentially neglecting other areas which eventually a health hazard to the whole community. This is confirmed by the following participants:

Even if there is a burst pipe, the municipality will prioritise areas that pay for services to ensure a steady revenue stream from these smaller towns within its jurisdiction. It is crucial for us to pay for services so that we recognise the importance of conservation and can teach our children not to waste resources unnecessarily, which can have a negative impact on service delivery infrastructure.

This confirms the findings of the interviews under the sub-theme of resource management, where it was observed that there was a misplacement of priorities in capital projects, especially regarding water and sanitation. Participants emphasised the importance of effective planning and implementation to gradually enhance water supply and infrastructure. This outcome conflicted with Section 153 of The Constitution of the Republic of South Africa of 1996, which states that the main purpose of municipalities is to 'structure and manage their 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 participate in national and provincial development programs.

Finally, participants indicated political partisanship as a major bow on the interests of residence within the uMgungundlovu District Municipality. They expressed frustration with the political

dynamics in council meetings, where some political party's dominance may stifle valid contributions from opposition parties, even when such contributions are in the public interest. This is confirmed by the following participants:

I believe that the democratic system in South Africa is letting us down in a way because every political party deployed to the district is supposed to ensure that services are provided. However, if you sit in a council meeting and the ruling party doesn't agree with a valid point raised by the opposition, even if it's genuine, they will use their power to silence the minority's voice. These are some of the challenges we are facing at the local government level.

This confirms the findings of the interviews under the sub-theme of local empowerment and decision-making, where it was concluded that collaboration and cooperation among political parties within local government are productive. It was observed that when one party dominates, there can be concerns of bias and partisanship, which may hinder effective governance and community representation. This result aligns with the findings of Pretorius (2017), who asserted that the idea of an impartial municipal manager is misleading because the governing party operates based on its election manifesto, which is shaped by the policies of that specific political party.

6.5.2.3 Community engagement and accountability gaps

This sub-theme highlights a broader issue that extends beyond uMgungundlovu District Municipality and affects communities across the board. Participants express that there is ineffective complaint system within the municipality which does not effectively serve the public. This sentiment is reinforced by concerns about the functionality of the complaint system within the municipality. This is confirmed by the following participants who conveyed the same opinion:

It's not assisting the public honestly. Not only in uMgungundlovu but across the board, it's not helping our community. As someone responsible for the call centre, our complaint system itself is not working.

This result is in agreement with Sethunyane's (2021) findings, which indicated that the administrative role in promoting good governance involves offering guidance and assistance in consultation and engagement, creating effective systems for directing complaints and

inquiries to the appropriate channels, and upholding responsive services and procedures to advance the principles of good governance.

Some participants expressed frustration with the lack of feedback, particularly regarding public hearings, where there is a perceived lack of follow-up and feedback to the public on the issues they have raised. This disconnect between citizens and their local government in terms of engagement and accountability contributes to the challenges and gaps in the fiscal decentralisation framework. This is confirmed by the following participants:

As I have mentioned, public hearings are held at specific legislated timeframes, and then we go away. We come back again the next year, and there is no follow-up in public hearings to provide feedback to the public regarding the issues they've raised and what we have done. It's not working.

This confirms the findings of the interviews under the sub-theme of technology utilisation, where it was found that embracing various technological platforms can facilitate easier engagement between the municipality and residents, enabling efficient feedback, criticism, and appreciation of municipal activities. This result is consistent with the discoveries made by Mangai (2016), who observed that the opinions that people express are then used as a feedback mechanism to enhance and prioritise the provision of services.

Furthermore, participants highlighted the inconsistent accountability guidelines which are being used by the municipality. The importance of clear and unified guidelines that come from the national level and are echoed by leaders at various levels of government, including the president, premiers, and mayors was recommended. This call for consistency in messaging and standards is driven by the recognition that effective governance requires alignment and a shared understanding of accountability, regardless of the level of government. This is confirmed by the following participants:

I think the guidelines should come from the national level because the president delivers his address at the beginning of the year, setting the tone for what they want to achieve. They also have Premiers who do the same, and Mayors as well. So the message must be consistent. In terms of the template for accountability, the ministers should break it down to what it means for a councillor, and they must all be aligned. You can't have different sets of rules for councillors and different sets of rules for provincial officials.

This endorses the findings of the interviews under the sub-theme of accountability and reporting, where it was observed that the municipality's systems lacked checks and balances to ensure transparency and accountability in municipal operations. It was found that there were no clear platforms for councillors to engage with residents and for residents to voice their concerns and frustrations. This finding contradicted the observations of Sibanda (2017), who noted that administrative accountability encompasses internal government control mechanisms, which include guidelines and standards for the public sector, incentives, ethical norms, and administrative assessments.

6.5.3 Enhancing fiscal resilience and resource management

This primary theme explores methods that the uMgungundlovu District Municipality can employ to evaluate the institutional capacity for implementing and managing the proposed fiscal decentralisation framework. It was informed by three primary sub-themes, as unpacked below:

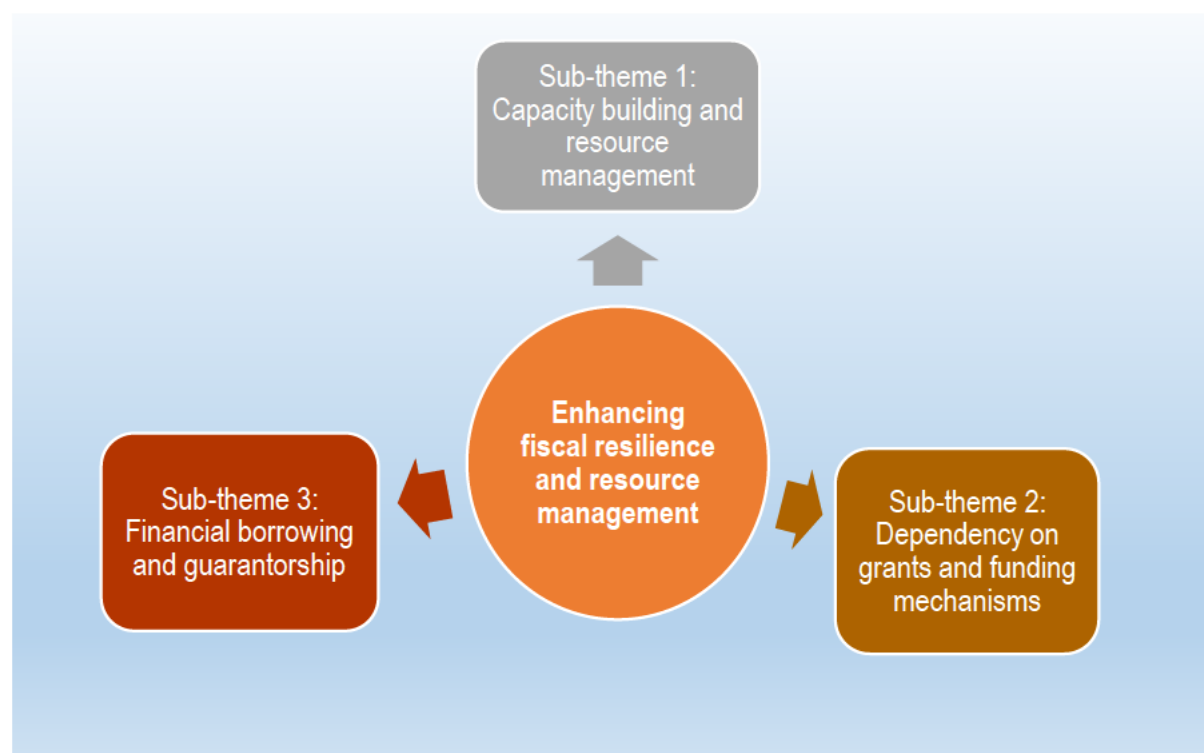


Figure 6.4: Sub-themes for main theme 3

6.5.3.1 Capacity building and resource management

This sub-theme delved into the capacity for resource and grant utilisation within the municipality for the best interest of service delivery. It stresses that the mere presence of funds does not inherently result in enhanced service delivery; instead, it is the human element,

encompassing skills, knowledge, and efficient management that dictates the influence of financial resources.

Participants emphasised the necessity of addressing various factors, including political, structural, and human resource-related challenges. They highlighted the importance of capacity building and effective resource management to bolster fiscal resilience and attain service delivery objectives more effectively. This is confirmed by the following participants:

Money alone cannot be considered a capacity; it can be best utilised for service delivery and effectively achieving service delivery goals when there is capacity within the Municipality to manage it. Therefore, bringing in money alone cannot be said to directly impact service delivery; rather, it is the human factor that plays a critical role. For example, municipalities receiving grants sometimes struggle to spend the allocated funds, failing to meet deadlines and expenditure targets as outlined in their budgets. This is often due to a combination of factors, including political, structural, and human resource issues. As the financial year end approaches, it becomes evident that some municipalities, like UMDM, have spent only a portion of their allocated budgets. For instance, if a municipality has spent 69% of its budget by June (the end of the financial year), it means there is still a significant portion of funding that remains unutilised. Ideally, all municipalities should aim to spend 100% or even exceed their budgets to benefit from the additional 5% allowance.

This confirms the findings of the interviews under the sub-theme of resources management, where it was found that there is a need for a more comprehensive and coordinated approach to resource management in uMgungundlovu District Municipality. This result is consistent with the discoveries made by Mngomezulu (2020), who observed that municipality's primary focus is to ensure the efficient, accountable, and equitable delivery of services and the responsible use of public resources for the betterment of society.

Some participants felt that the resources and skills in the municipalities need to be properly used. They emphasised the optimisation of revenue collection and efficient use of grants, ultimately impacting their fiscal resilience and ability to deliver services effectively. This is confirmed by the following participants who conveyed the same opinion:

Municipalities lack sufficient resources and skills to manage revenue collection and grant utilisation hence it has to be utilised efficiently.

This confirms the findings of the interviews under the sub-theme of resources management, where it was found that there were inadequate resources. Hence, the significance of prudent resource management as a means to achieve long-term sustainability and promote community well-being. This finding aligns with the results of Engdaw (2022), who identified that budget transparency, autonomy in salary policy, control over budget and staffing, career management control, recruitment autonomy, and performance management are key areas where local government can exercise discretion in human resources and employment policies.

6.5.3.2 Dependency on grants and funding mechanisms

This sub-theme evaluated the heavy grant dependency and grant allocation mechanisms employed by uMgungundlovu District Municipality.

Majority of participants emphasised the municipality's distinct challenge of having a weak revenue base, primarily due to its rural-centric focus, where the majority of the population falls into the indigent category. They highlighted the substantial reliance on grants for capital projects, as only a small percentage of the rural populace can afford service payments. This is confirmed by the following participants:

Hence, for UMDM, the dependency on grants remains an ongoing necessity because they cannot sustain themselves solely through their revenue base, which is particularly weak due to their focus on rural areas. In these rural areas, the majority of the population is categorised as indigent, with only a small portion considered potential payers. In rural regions, we are looking at approximately 5-10% of people who can afford to pay for services, while the rest rely on unemployment benefits, government grants, informal work, and temporary employment programs like Zibambele and EPWP.

This was inconsistent with the findings of the interviews under the sub-theme of resources management, where it was found that there was a misplacement of priorities in capital projects, especially regarding water and sanitation. Participants emphasised the importance of effective planning and implementation to gradually enhance water supply and infrastructure. This outcome concurred with the findings of Burger and Calitz (2021), who found that both rural and urban municipalities in South Africa lack sufficient revenue.

Some participants emphasised the role of the equitable share in mitigating the challenges arising from the municipality's elevated indigence levels. They underscored the significance of

allocating the equitable share based on the area's indigence level, as assessed using Stats SA figures. This is confirmed by the following participant who conveyed the same opinion:

Remember that the equitable share is calculated by the National Treasury, taking into account the level of indigence in the area, which is determined by quantifying the number of indigent individuals using Stats SA figures. Therefore, the budget allocated as the equitable share should ideally cater to all those who are classified as indigent. This essentially means that these individuals can be easily exempted from paying for services since there is already funding allocated from the National Treasury to support them.

This was inconsistent with the findings of the interviews under the sub-theme of financial sustainability issues, where it was found that despite the inadequacy of resources, municipalities need to find sustainable funding solutions to meet the pressing needs of all communities and ensure access to essential services. Participants felt that the current municipality funding model, represented by the equitable share, is insufficient to address persistent service delivery gaps, and there is a critical need for financial sustainability and resource allocation reforms. This outcome aligns with the conclusions drawn by Whelan (2016) and Magagula et al. (2019), who found that district municipalities face constraints in revenue generation compared to local municipalities. They heavily depend on national transfers and equitable shares for funding. Rural municipalities, in particular, encounter difficulties due to their limited ability to generate revenue from taxes and service fees, particularly because a significant portion of their population resides in traditional housing.

6.5.3.3 Financial borrowing and guarantorship

This sub-theme examined the crucial legislative aspects of fiscal decentralisation in municipalities. Participants highlighted the importance of complying with legal requirements, noting that municipalities cannot borrow money independently without prior consultation with the National Treasury. They recognised that this requirement aims to reduce the risk of payment defaults, especially since many municipalities depend heavily on grants and may be seen as less creditworthy. This is confirmed by the following participants:

Legislatively, municipalities cannot borrow money independently without consulting the National Treasury. This requirement exists because borrowing without such consultation could risk defaulting on payments, especially given that many municipalities rely on grants and are considered less creditworthy.

Essentially, it's akin to a child seeking a loan independently while being dependent on someone else for survival; there must be a guarantor when borrowing funds for service delivery purposes, as the municipality's ability to repay hinges on its financial dependencies.

This confirms the findings of the interviews under the sub-theme of governance and legislative powers, where it was discovered that municipalities do not have unilateral authority to make financial decisions, particularly regarding borrowing funds. It was found that the municipalities operate under legislative requirements that necessitate consultation with higher authorities, such as the national treasury, before making financial decisions. This outcome concurred with the findings of Huda (2022), who found that the individuals tasked with the administration of procurement practices undergo rigorous assessment and appraisal procedures as stipulated by legal requirements as municipalities are required to provide services to communities in conformity with any applicable legal requirements.

Additionally, participants stressed the importance of municipalities evaluating their institutional capacity before exploring private loans. This approach highlights the significance of responsible financial management and collaboration with the National Treasury, as municipalities cannot make independent financial decisions. This is confirmed by the following participants who conveyed the same opinion:

It's preferable to approach the 'father' figure, represented by the National Treasury, for additional funding. If they are unable to provide the necessary funds, then you can explore the route of private loans. However, the National Treasury must play a significant role because ultimately, if you're unable to pay due to a lack of revenue, it falls on the National Treasury to bail you out. Therefore, you cannot act independently, and the National Treasury must assess your case to determine whether there's a possibility of repayment or if they will need to step in to provide assistance. This process is not straightforward.

This result aligns with the discoveries made by Gordhan (2014), who identified various challenges confronting the local government sphere in South Africa. These challenges encompass issues such as inadequate institutional capacity, low levels of revenue collection, unqualified or inappropriate staff, sluggish service delivery, limited public engagement, ward councillors and committees, and the detachment of officials from the community.

6.5.4 Tailored fiscal decentralisation framework

This primary sub-theme was crucial as it examined potential approaches to develop a comprehensive conceptual framework that can suit the specific contextual factors of the uMgungundlovu District Municipality.

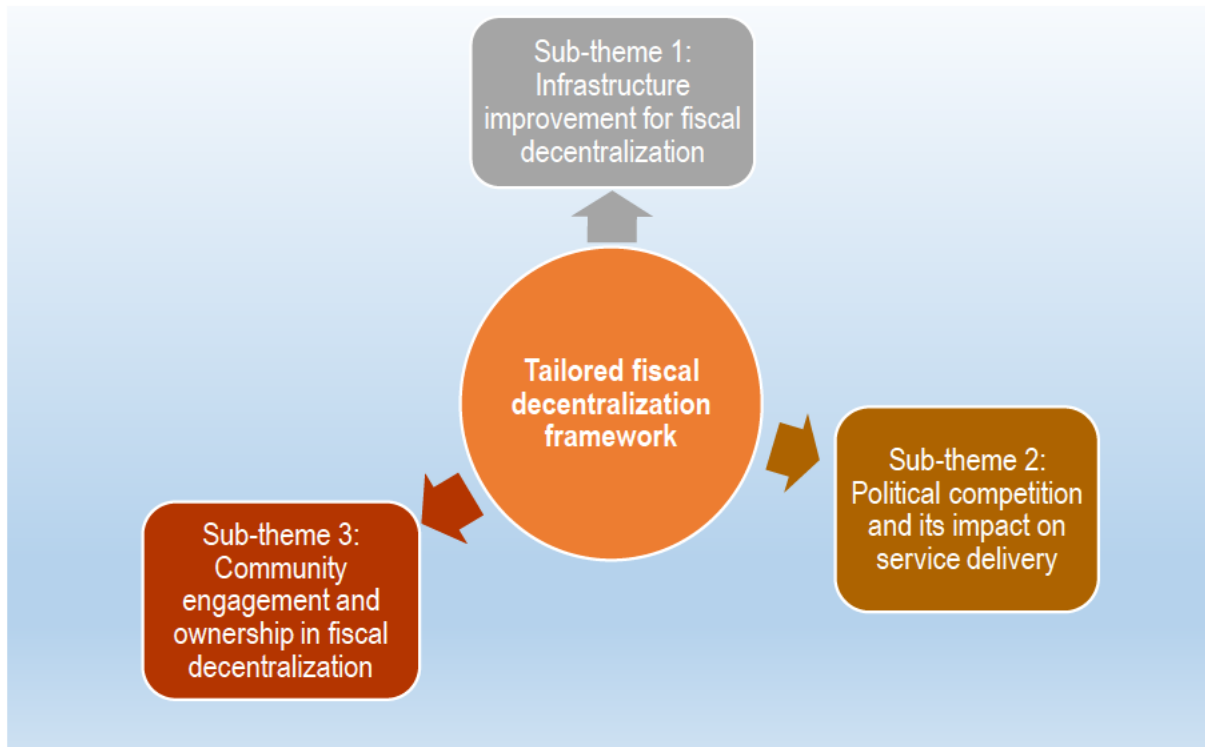


Figure 6.5: Sub-themes for main theme 4

6.5.4.1 Infrastructure improvement for fiscal decentralisation

This sub-theme examined the critical importance of enhancing infrastructure as a top priority for the uMgungundlovu District Municipality. Participants expressed that infrastructure improvement is directly linked to achieving accurate billing for consumers. They highlighted that addressing infrastructure challenges is seen as a fundamental step in ensuring effective revenue collection and sustainable fiscal decentralisation within the municipality. This is confirmed by the following participants:

I believe the main priority is to enhance the infrastructure, including underground pipes and meters, to ensure accurate billing for consumers.

This confirms the findings of the interviews under the sub-theme of resources management, where it was discovered that the importance of effective planning and implementation in gradually enhancing water supply and infrastructure also contributes to improved revenue

collection and service delivery. It was found that prudent resource management is a means to achieve long-term sustainability and promote community well-being. This outcome concurred with the findings of Magagula et al. (2022), who found that the district municipality is responsible for overseeing the development of bulk infrastructure and must make sure that resources are dispersed fairly among the local municipalities in order for services to be provided at the proper levels.

Additionally, participants expressed the need for the prioritisation of enhancing the billing systems within the uMgungundlovu District Municipality. They highlighted that focusing on improving billing accuracy and customer services would improve efficiency and service delivery within the region. This is confirmed by the following participants:

To improve billing accuracy, I suggest that the municipality should focus on enhancing their systems. While I'm not intimately familiar with their collection procedures, it may be beneficial to establish customer care and aftercare services. Currently, when you file a complaint, it often takes around six months for the municipality to address the issue or conduct an investigation. Consequently, by the time they arrive in your area, you may have accrued a significant amount of debt that becomes challenging to pay off.

This confirms the findings of the interviews under the sub-theme of revenue collection challenges, where it was found that the issue of incomplete billing systems presents a significant hurdle for municipalities. It was discovered that some customers are not properly integrated into the billing system, highlighting a gap in the municipality's ability to effectively collect revenue. This result was consistent with the results of Dlamini and Reddy (2018), who ascertained that the municipality's effectiveness in devising and executing internal systems for fulfilling its duties is closely tied to its capability to allocate public resources in a manner that fosters both development and sustainability.

6.5.4.2 Political competition and its impact on service delivery

Participants expressed concern that councillors tend to prioritise their own constituencies and party members, leading to uneven service distribution and preferential treatment. They urged politicians to practice equitable service delivery and foster a more inclusive and balanced approach in considering the development of a tailored fiscal decentralisation framework for the municipality. This is confirmed by the following participants:

I believe this situation has a detrimental impact on service delivery. It's evident that when it comes to service delivery issues, each councillor tends to prioritise their own constituency, often neglecting those who didn't vote for them or aren't members of their party. Consequently, even though the municipality or government may claim to serve everyone, certain areas receive preferential treatment while others are disregarded and left at a disadvantage. This practice significantly hampers service delivery, especially in matters related to employment and projects, where councillors often ensure that their constituents are given priority. Unfortunately, this leads to considerable interference, further undermining the quality of service delivery.

This confirms the findings of the interviews under the sub-theme of local empowerment and decision-making, where it was discovered that collaboration and cooperation among political parties within local government are productive. It was found that when one party dominates, there can be concerns of bias and partisanship, which may hinder effective governance and community representation. This result was inconsistent with the discoveries made by Schoute et al. (2018), who found that councillors provide representation, leadership, promote participation, and exercise legislative powers. They serve as the interface between the citizens they represent and the municipal officials who draw up and implement development policies.

6.5.4.3 Community engagement and ownership in fiscal decentralisation

Participants felt that community engagement has led to heightened awareness among residents about government activities and has fostered a sense of ownership over projects. They highlighted that increased engagement makes communities more proactive, encouraging them to ask questions and play a more active role in ensuring the proper maintenance of municipal infrastructure. This is confirmed by the following participants:

Yes, I believe it has had a significant positive impact. It has heightened community awareness of the municipality's or government's activities, leading to a greater sense of ownership over development initiatives. Communities are now more engaged and proactive, questioning various aspects of projects to ensure the proper maintenance of the infrastructure provided by the municipality. In the past, individuals might have seen construction projects as opportunities for personal gain, but with increased community participation, they recognise the collective benefit of these initiatives, fostering a sense of unity and shared responsibility.

This confirms the findings of the interviews under the sub-theme of improved communication and engagement, where it was discovered that effective communication should not only inform residents about the importance of resource conservation but also encourage them to take ownership of critical infrastructure. This finding corresponds with the perspective presented by Zhang and Hewings (2019), which opposes local government systems that seem to show bias against community engagement. A similar standpoint is upheld by Karuaihe et al. (2016), who advocate for alternative approaches to enhance water accessibility and management in rural areas through community-based management of water sources. To accomplish this objective, a coordinated strategy involving the community, government, and, where applicable, the private sector is essential.

6.5.5 Enhancing fiscal decentralisation and local empowerment

This primary theme examined the recommendations to enhance fiscal decentralisation and local empowerment. It was informed by the following:

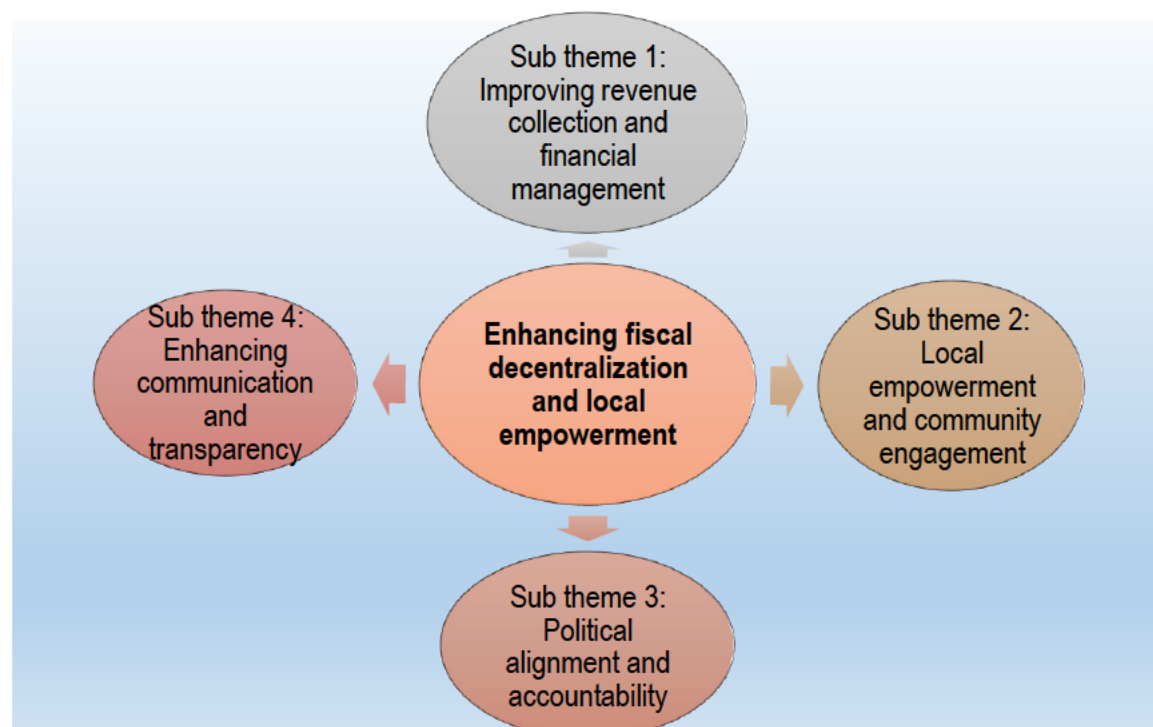


Figure 6.6: Sub-themes for main theme 5

6.5.5.1 Improving revenue collection and financial management

This sub-theme examined possible ways of enhancing the municipality's revenue collection and financial management. Participants suggested that the uMgungundlovu District

Municipality should consider establishing an accurate billing system and aftercare services to address issues and complaints more efficiently. They noted that the current complaint resolution process is lengthy and takes a long time before addressing customers' issues, leading to substantial debts for residents. This was confirmed by the following participants:

To enhance accurate billing, I believe the municipality should focus on improving their systems. While I may not have an in-depth understanding of their collection processes, I think they could benefit from establishing customer care and aftercare services. Currently, when you file a complaint, it often takes around six months for the municipality to address the issue or conduct an investigation.

This confirms the findings of the interviews under the sub-theme of revenue collection challenges, where it was discovered that the issue of incomplete billing systems presents a significant problem between the municipalities and residents, resulting in numerous unresolved complaints. This result is consistent with the definition of 'voice' provided by Kim and Lee (2019), which indicates that it actually refers to citizens' ability to express their opinions, demand their fundamental rights, and criticise those in charge and in authority. When expressed through lobbying, protest, and appropriate complaint procedures, voice is more powerful.

Moreover, some participants highlighted that the current funding model appears to prioritise metropolitan areas over district and local municipalities, potentially impeding effective service delivery in the latter. They recommended a re-evaluation of the funding model for municipalities, taking into consideration the specific contextual factors of different geographic areas and their levels of poverty and unemployment. This is confirmed by the following participants who conveyed the same opinion:

I believe we discussed transfers, planning, the funding model, and the reporting of municipalities. It's my opinion that our country should re-evaluate the funding model for municipalities, considering the geographic areas and the levels of poverty and unemployment in each area. Currently, it seems that the government is placing more emphasis on metropolitan areas than on district and local municipalities, which can hinder effective service delivery.

This aligns with the outcomes of the interviews conducted within the financial sustainability issues sub-theme. These interviews revealed that the existing municipal funding model, exemplified by the equitable share, falls short in addressing ongoing service delivery shortcomings. Therefore, there is a pressing demand for reforms in financial sustainability and

resource allocation. This result aligns with the conclusions drawn by Ndzinge and Mathebula (2018), who identified revenue mismanagement as a key factor contributing to the persistent financial difficulties experienced by South African municipalities. Similarly, Masiya et al. (2019) observed that the challenges confronting South African municipalities primarily result from service delivery shortcomings characterised by significant backlogs, insufficient revenue collection, instances of corruption and fraud, ineffective financial management systems, and a shortage of highly skilled personnel.

Additionally, participants emphasised the need to consider the specific service delivery challenges and conditions on the ground within uMgungundlovu District Municipality when determining funding allocations. They recommended revising both the equitable share and grant funding for service delivery on a case-by-case basis within the municipality, as opposed to the current formulaic approach. This is confirmed by the following participants:

I'm referring to both equitable share and grant funding for service delivery. I believe they should be revised on a case-by-case basis for each municipality, rather than using the current formula. We need to consider the actual service delivery situation on the ground when determining funding allocations.

This result was consistent with the findings of Zongwe (2019), who concluded that governments adopted decentralisation to promote national unity and establish centres for motivation and development. Similarly, Letelier and Ormeno (2018) posits that fiscal decentralisation and increased grant allocation to subnational governments led to significant public revenue growth.

6.5.5.2 Local empowerment and community engagement

Participants recommended local appointments for key positions within municipalities. They argued that locally appointed individuals are better suited for these roles because they have a proven track record and first-hand experience within the community, which may not always be accurately reflected by qualifications and experience on paper. This is confirmed by the following participants:

I would say it's best to have them appointed locally because, nationally, while it might seem fair, they often rely on qualifications and experience on paper. However, in practice, people can create impressive profiles without having the actual knowledge and experience. Locally, municipalities have first-hand

experience with these individuals, and they are aware of their track record. Therefore, appointing them within the local municipality where their work is known and proven is a better approach.

This contrasted with the results obtained from the interviews within the sub-theme focused on improving accountability and transparency. In those interviews, it was established that individuals with extensive qualifications should undergo comprehensive background checks to verify their clean history, in accordance with government standards. This level of scrutiny is deemed essential, especially in situations where politicians may not possess the requisite education to make well-informed decisions regarding appointments. This finding is inconsistent with the findings of Masegare and Ngoepe (2018), who concluded that there are significant difficulties in providing municipal services due to a lack of critical and scarce skills, like technical competence. Likewise, Kalonda and Govender's (2021) findings suggest that a lack of qualified staff is a factor in the insufficient provision of water and the poor maintenance of road infrastructure.

Moreover, some participants suggested updating and refining systems like the indigent registry to better target and assist those who are genuinely unable to pay for services. They argue that the current system may not accurately represent the municipality's indigent population and that it's essential to ensure that government facilities, like RDP houses, primarily benefit those in need. This is confirmed by the following participants who conveyed the same opinion:

When you think about it, it doesn't accurately represent the municipality, especially concerning the indigent population. For instance, you'll notice that the government has been constructing RDP houses all over the country, and in many cases, the owners of these houses immediately expand them into larger, more luxurious homes. While I'm not suggesting that there are no indigent people, it's important to update the indigent registry to ensure that it primarily benefits those who are genuinely unable to pay. Nowadays, most people are financially capable, so we may be taking advantage of a government facility that was meant to assist our less fortunate communities in the area.

This confirms the findings of the interviews under the sub-theme of technology utilisation, where it was found that technology can offer quicker and more accessible channels for residents to report issues and receive updates on municipal responses. This result aligns with the findings of Mazibuko (2018), who emphasised that municipalities need sufficient financial resources to

deliver essential services to their communities. As a result, they must obtain funding through the collection of taxes, levies, rates, and service fees from the residents residing within their municipal jurisdiction. Similarly, Hayes (2019) discovered that increased taxes can have a beneficial impact on efficiency because they incentivise taxpayers to actively oversee and manage public administration.

In addition, participants highlighted the importance of collaboration between the municipality, traditional leaders (Amakhosi), and other institutions to ensure coordinated planning for housing developments. Participants suggested that this collaboration can help municipalities anticipate infrastructure needs and avoid issues where communities build houses without considering essential infrastructure like access roads. This is confirmed by the following participants:

The suggestion could be to collaborate closely with the Ngonyama Trust through the Department of Cooperative Governance and Traditional Affairs (CoGTA). While the municipality may not be responsible for approving the plans, local traditional leaders (Amakhosi) should work closely with the municipalities to submit these plans. This would enable the municipalities to be aware of proposed new infrastructure for housing developments and better anticipate future demands. What often occurs is that communities are allocated land and proceed to build large houses without considering the need for access roads and other essential infrastructure.

This confirms the findings of the interviews under the sub-theme of community engagement, where it was discovered that public participation fosters a strong and sustained connection between municipalities and the communities they serve, promoting active engagement and collaboration in decision-making processes. This finding aligns with the conclusions drawn by De Kadt and Lieberman (2020), who pointed out that the concept of implementation goes beyond conventional top-down methods in public administration. They emphasised that it often takes place within a context where individuals from various public and private institutions work together in informal teams to carry out programs.

6.5.5.3 Political alignment and accountability

This sub-theme examined the importance of clear roles and collaboration between politicians and officials. Participants suggested that politicians should act as facilitators of the master plan,

engaging with stakeholders like businesses and sharing the comprehensive plan being developed. This is confirmed by the following participants who conveyed the same opinion:

Politicians should view officials as facilitators of the master plan. They can play a significant role in developing these master plans and gaining the support of other stakeholders, such as businesses. For example, the mayor of the municipality should engage with businesses and share the comprehensive plan they are working on. It's essential that officials and technical experts follow the established blueprint. However, if politicians become overly involved in technical matters, it can be problematic, as we already have trained individuals for that purpose.

This confirms the findings of the interviews under the sub-theme of local empowerment and decision-making, where it was found that collaboration and cooperation among political parties within local government are productive. This concurred with the findings of Sethunyane (2021), who found that the administration must bolster good governance by offering guidance and assistance for consultation and engagement, creating strong systems that direct complaints and inquiries to the appropriate channels, and upholding responsive services and procedures to enhance good governance. On the other hand, Ndudula (2013) found that when the public sector is overly politicised, politicians and administrators interfere in one another's personal lives, and vice versa, and that the deployment of cadre would result in unfavourable outcomes that harm service delivery.

Participants emphasised that political leaders should have a clear vision and actively participate in the process, being open to advice and accurate information about the consequences of their decisions. They argued that the alignment between political leaders, administrative heads, and the expectations of residents is crucial for effective governance, and miscommunication can lead to problems. This is confirmed by the following participants:

Political will is crucial, and political buy-in is essential for progress. Political leaders should have a vision and actively participate in the process. They should also be open to advice and receive accurate information about the consequences of their decisions. If politicians prioritise their interests over serving the people, problems can arise. Alignment between political leaders, administrative heads, and the expectations of residents is vital. Miscommunication can lead to issues, so ensuring that thoughts, actions, and communication are aligned is critical.

This concurred with the findings of Sethunyane (2021), who found that the administration must bolster good governance by offering guidance and assistance for consultation and engagement, creating strong systems that direct complaints and inquiries to the appropriate channels, and upholding responsive services and procedures to enhance good governance. On the other hand, Ndudula (2013) found that when the public sector is overly politicised, politicians and administrators interfere in one another's personal lives, and vice versa, and that the deployment of cadre would result in unfavourable outcomes that harm service delivery.

Furthermore, participants advised the municipality to fully utilise technology for improving service delivery and fostering transparency. They emphasised that technology, including social media, can enable residents to engage, provide feedback, and hold the municipality accountable for its actions. This is confirmed by the following participants who conveyed the same opinion:

There are various platforms and technologies that can significantly assist in improving service delivery. Technology promotes transparency and makes it easier for residents to engage, criticize, and appreciate the municipality's efforts. Social media, for instance, enables quick feedback, allowing the municipality to respond promptly to on-the-ground issues if there is a strong connection.

This aligns with the outcomes of the interviews conducted in the sub-theme related to the use of technology. These interviews revealed that adopting a range of technological platforms can streamline communication between the municipality and its residents, allowing for more effective feedback, critique, and acknowledgment of municipal initiatives. This concurred with the findings of Ubago Martinez et al. (2018), who found that there is a positive relationship between fiscal decentralisation and technological efficiency through an empirical research using a sample of 23 OECD nations from 1992 to 2009.

6.5.5.4 Enhancing communication and transparency

This was an important sub-theme that sought to determine how to improve communication and transparency within uMgungundlovu District Municipality.

Participants emphasised the need for continuous public engagement. They suggested that establishing systems for daily communication with the public can enable continuous engagement with residents and align with the goals of the fiscal decentralisation framework, fostering transparency, accountability, and responsiveness in uMgungundlovu District Municipality. This is confirmed by the following participants:

Exactly, and public participation should not be limited to a specific period; it should be an ongoing practice. We need to establish systems for daily communication with the public, especially through social media platforms, as they have the potential to help us maintain continuous engagement with our residents.

This echoes the results obtained from the interviews conducted in the sub-theme concerning efficient communication and citizen involvement. These interviews indicated that communities that are well-informed about municipal matters and resource allocation tend to be highly supportive. The importance of transparency and truthful communication with the public was emphasised, as they aid in expectation management and the prevention of making unrealistic commitments. This outcome is consistent with the research conducted by Sujarwoto (2017), who conducted a survey involving 8,320 households across 120 local governments in Indonesia. The study aimed to explore the connection between political decentralisation and the quality of local public services. It discovered that having robust local political institutions, well-informed citizens, enhanced transparency, civic engagement through local initiatives, and the existence of social groups within the community are all significant factors in improving the quality of local public services.

Moreover, some participants expressed the need to improve the poor complaint resolution process, as there is often a disconnect between the public's grievances and the municipality's response. They noted that complaints frequently go unaddressed, requiring residents to make follow-up calls to inquire about the status of their previous complaints. This is confirmed by the following participants:

No, they don't. Not at all. We have to call back to find out what happened to previous complaints, and sometimes the complaints are not even addressed.

This outcome aligns with the conclusions drawn by Sethunyane (2021), who stated that the administration plays a key role in promoting good governance. This role includes providing guidance and support for consultations and engagement, establishing effective systems for routing complaints and inquiries to the relevant channels, and maintaining responsive services and processes to uphold the principles of good governance.

6.5.5.5 Weakness of the existing frameworks

The presented study on fiscal decentralisation within the uMgungundlovu District Municipality addresses critical gaps and weaknesses evident in existing frameworks on fiscal

decentralisation in South African contexts. One of the primary weaknesses of current frameworks lies in their limited focus on the specific challenges faced by municipalities in South Africa regarding water and sanitation service delivery. Existing models often overlook the intricacies of funding constraints, inadequate budget allocations, and challenges with financial management practices that are prevalent in municipalities (Taal, 2020).

Moreover, many existing frameworks fail to adequately address the role of political interference in municipal governance, particularly through practices like cadre deployment, which undermine effective service delivery (Van Onselen, 2012). By highlighting the detrimental effects of political interference on fiscal governance and service delivery, the study underscores the importance of addressing these political dynamics in reform efforts.

Furthermore, while some frameworks acknowledge the importance of community engagement and participation in theory, they often lack practical strategies for fostering transparent and inclusive decision-making processes (Wagana & Iravo, 2017; Reddy et al., 2020). The study's emphasis on proactive community engagement, open communication, and adherence to democratic principles provides valuable insights into how to overcome this weakness and promote meaningful citizen participation in fiscal decentralisation initiatives.

Additionally, existing frameworks often overlook the significance of institutional capacity building for effective fiscal decentralisation. The study's evaluation of the institutional capacity of the uMgungundlovu District Municipality highlights the importance of factors such as achieving clean audits, ensuring financial accountability and transparency, and leveraging technology for enhanced communication and decision-making (RSA, 2014). By addressing these institutional capacity constraints, the study provides a more comprehensive framework for successful fiscal decentralisation.

In conclusion, the weaknesses identified in existing frameworks on fiscal decentralisation underscore the need for a more context-specific and holistic approach to addressing the challenges of water and sanitation service delivery in South Africa municipalities. By examining the specific challenges and opportunities within the uMgungundlovu District Municipality, this study contributes valuable insights that can inform more effective and tailored fiscal decentralisation strategies in South African contexts.

6.5.5.6 Proposed fiscal decentralisation framework

In response to the imperative need for effective governance and sustainable development at the local level, this research endeavoured to introduce a nuanced fiscal decentralisation model explicitly designed for the unique socio-economic and administrative landscape of the uMgungundlovu District Municipality. The overarching research objective was to formulate a comprehensive framework that not only acknowledges the distinctive challenges and opportunities within the municipality but also seeks to optimise fiscal decentralisation as a catalyst for regional growth and improved service delivery. This proposed model intends to strike a harmonious balance between local autonomy and centralised oversight, tailoring its principles to align with the specific needs and aspirations of the uMgungundlovu community. By synthesising insights from comparative case studies, policy analyses, and local stakeholder consultations, the research aspired to contribute a pragmatic and contextually relevant blueprint that could serve as a template for other municipalities facing similar dynamics in their pursuit of sustainable development through fiscal decentralisation.

The findings of this study offer a crucial guidance for constructing a comprehensive proposed framework for fiscal decentralisation that resonates with the unique characteristics of the uMgungundlovu District Municipality. While intergovernmental fiscal system designs are often comprehensive, they may not be effectively integrated into the broader intergovernmental framework discussed earlier. The detailed planning and execution of specific aspects of fiscal decentralisation are frequently carried out independently. Some degree of fragmentation is inevitable due to diverse responsibilities, priorities, and the practical limitation of addressing everything simultaneously. Nonetheless, there is room for improvement in aligning targeted initiatives within the broader system and following a planned reform trajectory that aims to eventually integrate the interconnected elements of the intergovernmental system.

A well-conceived national intergovernmental framework, featuring upward accountability and incentives for responsible behaviour by subnational governments, can mitigate overly politicised actions. However, the realities at the subnational level can challenge sound policies. The interplay of these factors, as illustrated in Figure 7.1 below, in shaping service delivery, revenue generation, and other aspects will influence whether citizens perceive fair treatment. This perception, in turn, impacts their willingness to participate in subnational elections, contribute to subnational taxes, engage in participatory mechanisms, and overall be active citizens essential for realising the benefits of decentralisation.

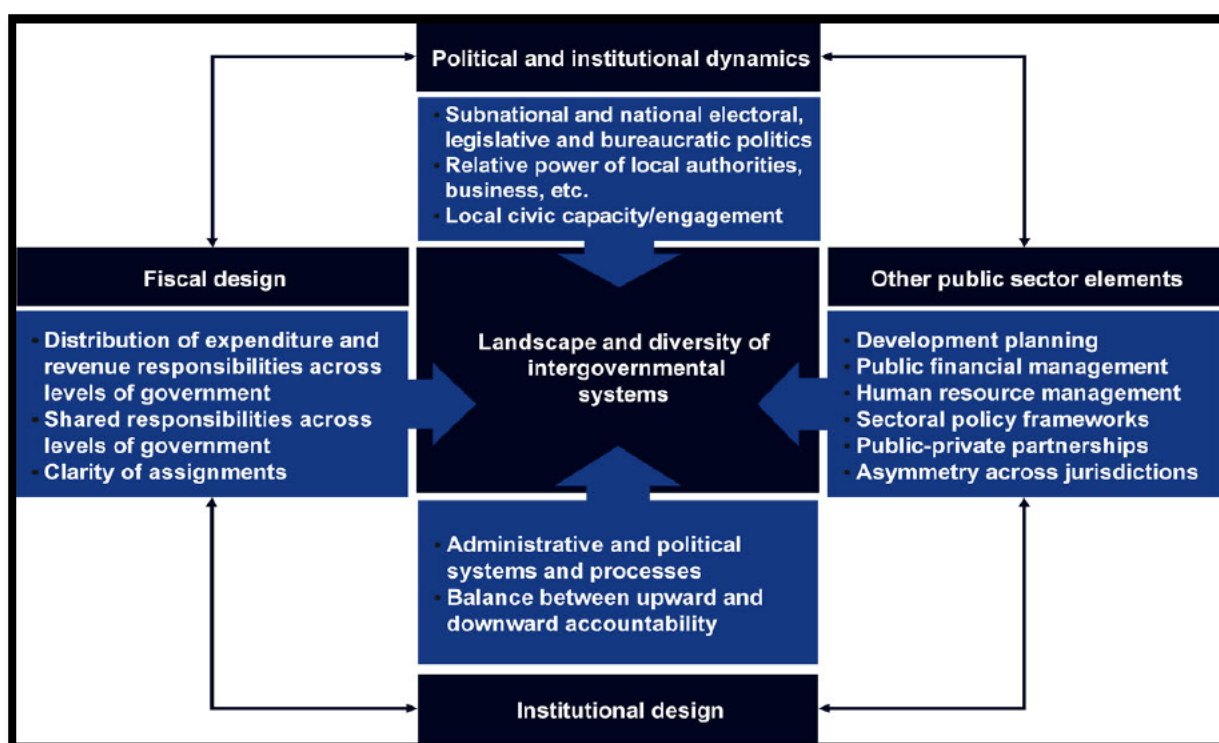


Figure 6.7: Proposed fiscal decentralisation framework

The proposed model in Figure 6.7 above presents that the implementation of decentralisation involves the participation of both national and subnational governments. Typically, the central government establishes a comprehensive legal framework, but the degree of its development and utilisation can vary. One approach, known as the framework adoption approach, assumes that the issuance of the framework is sufficient, incorporating incentives to encourage compliance by central and local actors. This approach implies that subnational governments must independently navigate and adopt legislated reforms. In contrast, the controlled gradualist approach involves the central government having a broad framework but retaining decision-making authority over the order and pace of decentralisation reform elements. Without clear criteria, this may lead to stalled reforms and hinder even capable local governments from reaching their full potential. Advocacy for a more strategic approach to implementation has been voiced.

The proposed framework (Figure 6.7) therefore argues that the autonomy of subnational governments in implementing reforms depends on the permissions and support provided by the national government, as well as local political and bureaucratic dynamics. Subnational governments, like their national counterparts, face choices of pursuing comprehensive changes or advancing gradually, based on the empowering capacity of the legal framework. Their

specific approach hinges on perceived needs, local political conditions, and their assessed capacity. However, there is a rationale for advocating a strategic and thoughtful rollout of subnational decentralisation reforms. The framework is underpinned by a commitment to financial accountability and transparency, as these are fundamental pillars for fostering public trust and attracting investor confidence. Additionally, the practice of ring-fencing funds for specific services is a paramount strategy to ensure responsible resource allocation, leading to improved service delivery. Also, political dynamics and competition need to be addressed within the framework. It highlights the imperative of equitable service distribution and an inclusive approach that prioritises community welfare above partisan interests, thereby mitigating potential biases and conflicts. Lastly, the framework emphasises modern communication methods, encouraging community participation, and fostering a sense of ownership among residents. Enhancing the billing system and infrastructure improvement are essential components, promoting efficiency in revenue collection and accurate billing while improving service quality.

All strategies for implementation share essential components to accomplish their objectives. These include a clearly defined starting point, a planned trajectory for implementing reforms gradually, effective incentives to encourage the adoption of reforms, support structures for capacity building, and a monitoring and feedback mechanism with a managerial focus. When a central government agency overseeing decentralisation contemplates implementation, careful attention to these elements is necessary. As mentioned earlier, there is a prevailing trend toward narrowly focused technical analyses in defining decentralisation reforms, reflecting a world where expertise is increasingly specialised and holistic diagnostics lack adequate incentives. Not all analyses supporting intergovernmental reforms can fully consider the extensive scope of decentralisation and the specific details of each country. Simultaneously, it is valuable to explore how to prioritise reforms within the broader context. A deeper understanding of the connections between reforms and political economy dynamics has the potential to foster a more thoughtful, cohesive, and practical application of fundamental reform principles, leading to the development of more resilient systems and outcomes.

6.5.5.7 Comparison of the proposed framework and figure 2.2.

The proposed fiscal decentralisation framework primarily focuses on the roles of national and subnational governments, emphasising the need for a well-conceived legal framework, financial accountability, and transparent communication channels. Development partners, traditional leadership, and civil society organisations (CSOs) are not explicitly addressed in the

framework. However, their roles could be inferred indirectly, as transparent communication and community participation are highlighted as essential components. These actors contribute to fostering public trust, enhancing community participation, and promoting accountability within the decentralisation process.

In contrast, the study's conceptualisation framework includes variables related to citizen participation and social accountability, which indirectly involve CSOs and potentially traditional leadership. The inclusion of these variables suggests recognition of the importance of civil society and community involvement in the decentralisation process. However, the specific roles and contributions of development partners, traditional leadership, and CSOs are not explicitly outlined.

Regarding the involvement of local, regional, and continental organisations like the African Union Charter on democracy and governance, both frameworks do not directly address their roles. However, the emphasis on transparent communication, citizen participation, and accountability aligns with principles promoted by such organisations. Integrating these principles into the frameworks could enhance their effectiveness and ensure alignment with broader regional and continental governance frameworks.

6.6 Chapter summary

This chapter presented a comprehensive report on the findings derived from the conducted focus group discussions. The discussion was structured around five key themes, namely challenges and mechanisms in fiscal decentralisation, critical challenges in fiscal decentralisation and governance, enhancing fiscal resilience and resource management, a tailored fiscal decentralisation framework, and concludes with enhancing fiscal decentralisation and local empowerment. The following chapter will examine the conclusions and recommendations of the study.

CHAPTER SEVEN: CONCLUSION AND RECOMMENDATIONS

7.1 Introduction

The previous chapter provided a comprehensive examination of the findings gathered from a series of focused group discussions. These discussions revolved around five core themes, systematically exploring the intricate landscape of fiscal decentralisation in the context of water and sanitation service delivery at uMgungundlovu District Municipality. This chapter synthesises the rich tapestry of insights derived from the research, encapsulating the essence of the researcher's exploratory journey. The conclusions and recommendations presented in this chapter are not merely the culmination of empirical findings from chapters five and six but also find their roots in the theoretical foundation established in chapters two and three. The study aims to provide actionable insights and guidance for enhancing fiscal decentralisation and promoting local empowerment, thereby fostering improved service delivery.

The aim of this study was to explore the impact of fiscal decentralisation on water and sanitation service delivery at uMgungundlovu District Municipality using the fiscal decentralisation framework. Through an in-depth analysis of the local socio-economic, political, and administrative factors, this research aims to offer insights into how fiscal decentralisation can be optimally designed to enhance local governance, promote sustainable development, and improve service delivery within the uMgungundlovu District Municipality. The study holds substantial significance within the realm of local governance and public administration. The concept of fiscal decentralisation, wherein financial powers and responsibilities are devolved from central authorities to local governments, has gained prominence as a means to enhance efficiency, accountability, and local development. Focusing on the specific case of uMgungundlovu District Municipality provides an in-depth understanding of how fiscal decentralisation operates within a unique socio-economic and political context. By analysing and conceptualising a fiscal decentralisation framework in this context, the study's outcomes are anticipated to contribute significantly to the existing body of knowledge on effective public financial management and governance at the local level.

The significance of this study is underscored by the potential implications it holds for policy formulation and decision-making. As municipalities play a crucial role in service delivery and community development, an effective fiscal decentralisation framework can foster more targeted and responsive allocation of resources, ultimately improving the quality of public

services. The study's findings may provide valuable insights into the challenges and opportunities faced by uMgungundlovu District Municipality and similar local governments, thus guiding policymakers in designing and implementing fiscal decentralisation strategies that align with the unique needs of different regions. Moreover, this study's significance extends beyond academia, resonating with practitioners, policymakers, and development experts invested in enhancing the effectiveness of decentralised governance systems for the betterment of local communities.

Furthermore, the study's localised approach to examining fiscal decentralisation contributes to a nuanced understanding of its impacts on economic growth, social welfare, and participatory governance. By exploring into the intricacies of uMgungundlovu District Municipality's experiences, the research can uncover best practices, identify bottlenecks, and suggest tailored solutions that resonate with the realities of the district. This micro-level analysis not only enriches the academic discourse on fiscal decentralisation but also equips local administrators with actionable insights to optimise revenue mobilisation, expenditure management, and intergovernmental relations. Finally, the study's exploration of a fiscal decentralisation framework within the uMgungundlovu context holds immense significance in advancing the discourse on effective governance, decentralisation, and sustainable development.

The objectives of the study were:

- To examine the existing fiscal decentralisation practices and mechanisms within the uMgungundlovu District Municipality.
- To analyse the challenges and gaps in the current fiscal decentralisation framework in the uMgungundlovu District Municipality.
- To evaluate the institutional capacity of the uMgungundlovu District Municipality to implement and manage the proposed fiscal decentralisation framework.
- To propose a comprehensive framework for fiscal decentralisation tailored to the specific context of the uMgungundlovu District Municipality.
- To provide recommendations for policy adjustments and practical strategies that can facilitate the successful implementation of the conceptual fiscal decentralisation framework in the uMgungundlovu District Municipality.

The literature review in this study primarily focuses on establishing a robust theoretical foundation for the research. It delves into key concepts in public administration, theoretical frameworks for understanding decentralisation and service delivery, and the complex dynamics

surrounding resource management, including centralisation and decentralisation. This review scrutinises the intricate relationship between fiscal decentralisation and essential services and scrutinises how it can either enable or hinder public service delivery. Moreover, the review offers insights into the government's rationale for making centralisation or decentralisation decisions, particularly in service delivery. It highlights the allocation of authority and responsibilities in the delivery of public services, as mandated by the government.

In terms of sample size and methodology, the study engaged a total of nineteen participants in interviews, hailing from diverse sectors, including government, business, and civil society. Additionally, eight participants were involved in focus group discussions, representing various sectors, such as government, the private sector, and community-based organisations. The researcher employed a purposive sampling strategy to select participants based on their expertise and knowledge relevant to the study, ensuring focused and efficient data collection. Interviews were the primary method for data collection, facilitating a comprehensive exploration of the research question and participants' perspectives. Content analysis and thematic analysis were employed for data analysis, with NVIVO 12 software used to unveil recurrent themes within the qualitative data.

This combination of an extensive literature review, a diverse sample size, purposive sampling, and rigorous data analysis techniques provides a robust and comprehensive research approach to delve into the intricacies of fiscal decentralisation and its impact on service delivery.

7.2 Objectives of the study

The aim of this study was to explore the impact of fiscal decentralisation on water and sanitation service delivery at uMgungundlovu District Municipality using the fiscal decentralisation framework.

7.2.1 Objective One

To examine the existing fiscal decentralisation practices and mechanisms within the uMgungundlovu District Municipality.

The findings provided a comprehensive view of the existing fiscal decentralisation practices and mechanisms within the uMgungundlovu District Municipality. They revealed a complex interplay of challenges and strategies. One key aspect was the tension between legislative powers and local autonomy. Municipalities operated within legislative constraints that required consultation on financial decisions, notably borrowing. However, there was a clear desire for

greater local autonomy, suggesting that decisions should primarily reside at the local level, with national government intervention only when necessary. This reflected the need for flexibility in local governance.

Community engagement and participation emerged as fundamental components of this decentralised system. Proactive engagement, open communication, and adherence to democratic principles were essential to ensure that residents' voices were heard and trust was built. Furthermore, financial management practices, particularly maintaining clean audits, played a pivotal role in fostering trust with creditors and investors. Leveraging information and communication technology was vital for transparency, citizen engagement, and data-driven decision-making. Lastly, the challenge of revenue collection highlighted the need for a balanced approach that considered residents' economic circumstances while sustaining essential services. These findings collectively shed light on the multifaceted nature of fiscal decentralisation within the uMgungundlovu District Municipality, with a focus on both challenges and opportunities for improving local governance and service delivery.

7.2.2 Objective Two

To analyse the challenges and gaps in the current fiscal decentralisation framework in the uMgungundlovu District Municipality.

The analysis of challenges and gaps in the previous fiscal decentralisation framework in the uMgungundlovu District Municipality revealed several key findings. In terms of financial sustainability, the municipality faced significant funding challenges, and the existing funding model, primarily based on equitable shares, fell short of adequately addressing service delivery gaps. This highlighted the need for a fundamental reassessment of financial sustainability and resource allocation. Additionally, challenges in communication and community engagement were apparent, reflecting frustration among residents due to the lack of transparent and inclusive communication channels with the municipality. Political influence during election campaigns sometimes resulted in misleading promises but also underlined the democratic principles of local governance.

In the field of fiscal governance, achieving clean audits was essential for building trust and attracting investments. However, resource allocation and centralisation were subjects of debate, with a call for more centralised resources alongside local autonomy in project development. Moreover, the study identified significant issues in revenue collection and financial management, characterised by budget shortfalls, outdated billing data, and low

service payments. These challenges underscored the need for comprehensive reforms and improvements across various aspects of the local governance and fiscal decentralisation framework.

7.2.3 Objective Three

To evaluate the institutional capacity of the uMgungundlovu District Municipality to implement and manage the proposed fiscal decentralisation framework.

The evaluation of the institutional capacity of the uMgungundlovu District Municipality to implement and manage the proposed fiscal decentralisation framework uncovered key findings critical to assessing this capacity. The research findings emphasised that several factors played a pivotal role in evaluating the municipality's readiness for fiscal decentralisation. These factors included the ability to achieve a clean audit, which signified financial control and could foster trust among investors and the community. Additionally, financial accountability and transparency were highlighted as crucial elements influencing residents' willingness to pay for municipal services. Effective community engagement processes were deemed necessary, emphasising the role of public participation in municipal governance. The utilisation of technology was recognised as a means to enhance communication, transparency, and inclusivity in decision-making. Furthermore, prudent resource management was identified as essential for sustainable development. These insights provided a comprehensive framework for assessing the institutional capacity of the uMgungundlovu District Municipality and offered guidance for enhancing this capacity to successfully implement fiscal decentralisation.

The evaluation of the uMgungundlovu District Municipality's institutional capacity to implement and manage fiscal decentralisation revealed key findings crucial to the research objective. Firstly, the municipality's ability to attain a clean audit was emphasised as a performance metric that reflected its capability to manage financial aspects effectively. Secondly, the importance of financial accountability and transparency in building trust and encouraging residents to pay for services was highlighted. Thirdly, community engagement was viewed as a necessity, underscoring the significance of public participation in municipal governance and the need for transparent processes. Fourthly, technology utilisation was seen as a means to enhance communication and transparency. Lastly, prudent resource management was essential for sustainable development. These findings offered valuable insights into the institutional capacity of the uMgungundlovu District Municipality and provided guidance for evaluating and strengthening this capacity for effective fiscal decentralisation.

7.2.4 Objective Four

To propose a comprehensive framework for fiscal decentralisation tailored to the specific context of the uMgungundlovu District Municipality.

The proposed fiscal decentralisation framework developed in response to the research objective of formulating a comprehensive model tailored to the unique context of the uMgungundlovu District Municipality. The main goal was to optimise fiscal decentralisation as a catalyst for regional growth and improved service delivery. The suggested framework sought to provide a practical and contextually applicable blueprint by combining ideas from policy analyses, comparative case studies, and local stakeholder discussions. The framework matched its tenets with the unique requirements and goals of the uMgungundlovu community, emphasising the necessity of a healthy balance between local authority and governmental monitoring. It advocated for better alignment of focused projects within the larger intergovernmental system, acknowledging the difficulties posed by a variety of roles, objectives, and the practical constraints of addressing everything at once.

Furthermore, the proposed model acknowledged the interplay of factors in shaping service delivery, revenue generation, and citizen perceptions of fair treatment. It underscored the importance of a well-conceived national intergovernmental framework featuring upward accountability and incentives for responsible behaviour by subnational governments. The proposed framework argued that the autonomy of subnational governments in implementing reforms depended on permissions and support from the national government, as well as local political and bureaucratic dynamics. The framework was underpinned by a commitment to financial accountability and transparency as fundamental pillars for fostering public trust and attracting investor confidence. It also advocated for ring-fencing funds for specific services as a paramount strategy for responsible resource allocation and improved service delivery. The important components of the suggested framework were emphasised as being the handling of political dynamics and competition, guaranteeing fair distribution of services, and encouraging community participation using contemporary communication techniques.

7.2.5 Objective Five

To provide recommendations for policy adjustments and practical strategies that can facilitate the successful implementation of the conceptual fiscal decentralisation framework in the uMgungundlovu District Municipality.

The research outcomes yielded a comprehensive set of recommendations and practical strategies aimed at improving the effective implementation of a fiscal decentralisation framework within the uMgungundlovu District Municipality. These findings emphasised several key aspects. Firstly, there was a strong emphasis on accountability and transparency, calling for the establishment of robust accountability mechanisms, including consequences for failures and efforts to combat corruption. This involved shifting the focus from political interests to efficient governance and community well-being, supported by thorough background checks for qualified individuals and the adoption of responsible borrowing practices. Secondly, the concept of financial sustainability was promoted, suggesting a shift in mindset to encourage residents, including indigent communities, to financially support services and infrastructure enhancements. Responsible borrowing from reputable institutions and government entities was advocated as a means to address grant funding insufficiencies. Lastly, effective communication and citizen engagement were deemed pivotal, emphasising the importance of maintaining transparent and honest dialogue to manage community expectations and avoid unrealistic promises.

The utilisation of technology, particularly social media, was recommended to facilitate continuous engagement and feedback from residents. These findings collectively formed a holistic set of recommendations encompassing financial management, governance, community participation, and communication, all of which were integral to the successful implementation of a fiscal decentralisation framework in the uMgungundlovu District Municipality.

7.3 Summary of the key findings

In the pursuit of understanding fiscal decentralisation in the uMgungundlovu District Municipality, five distinct objectives guided a comprehensive investigation, each unearthing crucial findings that collectively shed light on the multifaceted nature of local governance and service delivery. Objective one delved into the examination of existing fiscal decentralisation practices and mechanisms within the municipality. It unraveled a complex dynamic characterised by the tension between legislative powers and local autonomy. While municipalities operate within legislative constraints, there's a clear yearning for increased local autonomy in financial decisions. This points to the necessity for flexibility in local governance. Community engagement emerged as a cornerstone of this decentralised system, emphasising the importance of proactive involvement, open communication, and adherence to democratic principles to build trust. The role of financial management practices, particularly the

maintenance of clean audits, was highlighted as pivotal for fostering trust with creditors and investors. The utilisation of information and communication technology was underscored as vital for transparency, citizen engagement, and data-driven decision-making.

Objective two centered on the analysis of challenges and gaps in the current fiscal decentralisation framework. This analysis uncovered significant funding challenges faced by the municipality, with the existing funding model, primarily based on equitable shares, falling short of addressing service delivery gaps adequately. Challenges in communication and community engagement were evident, causing frustration among residents due to the lack of transparent and inclusive communication channels with the municipality. While political influence during election campaigns sometimes resulted in misleading promises, it also underscored the democratic principles at play. Issues concerning resource allocation, centralisation, revenue collection, and financial management were revealed, calling for comprehensive reforms and improvements across various aspects of the local governance and fiscal decentralisation framework.

Objective three aimed to evaluate the institutional capacity of the uMgungundlovu District Municipality to implement and manage the proposed fiscal decentralisation framework. It emphasised the pivotal role of achieving a clean audit, as it reflects the municipality's ability to manage financial aspects effectively. Moreover, financial accountability and transparency were recognised as crucial elements influencing residents' willingness to pay for municipal services. Effective community engagement processes, the utilisation of technology, and prudent resource management were deemed essential for sustainable development. Objective four proposed a comprehensive conceptual framework tailored to the specific context of the municipality. It emphasised the significance of financial accountability and transparency as fundamental pillars for fostering public trust and attracting investor confidence. The practice of ring-fencing funds for specific services was identified as a paramount strategy to ensure responsible resource allocation and subsequently lead to improved service delivery. Addressing political dynamics and competition was highlighted as vital within the framework to prioritise community welfare above partisan interests and mitigate potential biases and conflicts.

Objective five provided recommendations for policy adjustments and practical strategies that can facilitate the successful implementation of the conceptual fiscal decentralisation framework. These recommendations were all-encompassing, emphasising accountability and

transparency with the establishment of robust mechanisms, the promotion of financial sustainability by encouraging residents to support services and infrastructure enhancements, responsible borrowing, and the pivotal role of effective communication and citizen engagement, facilitated by technology. Collectively, these findings offer a comprehensive understanding of the fiscal decentralisation landscape in the uMgungundlovu District Municipality, encompassing challenges, opportunities, and the necessary strategies for meaningful improvements in local governance and service delivery.

7.4 Contributions to the body of knowledge

The research on the re-conceptualisation of a fiscal decentralisation framework within the context of uMgungundlovu District Municipality contributes significantly to the body of knowledge in the field of public administration, local governance, and fiscal policy. Fiscal decentralisation, the process of transferring financial responsibilities from central to local governments, has been a subject of scholarly inquiry for decades. The uMgungundlovu District Municipality, serving as a microcosm, provides a unique setting to explore the complexities and nuances associated with fiscal decentralisation in a specific geographic and administrative context. The study therefore contributes to the body of knowledge in the following ways:

- i) **Local Dynamics and Fiscal Autonomy:** The research underscores the importance of understanding local dynamics in fiscal decentralisation efforts. By examining the uMgungundlovu District Municipality, the study identifies specific factors that influence fiscal autonomy at the local level, such as economic disparities, administrative capacity, and political dynamics. This nuanced understanding challenges traditional, one-size-fits-all approaches to fiscal decentralisation.
- ii) **Community Participation and Governance:** A significant contribution of the research lies in its emphasis on community participation in fiscal decision-making processes. The study reveals that a re-conceptualised fiscal decentralisation framework should not only empower local governments but also actively involve communities in budgetary discussions and resource allocation. This aligns with the broader global shift towards participatory governance models.
- iii) **Capacity Building and Institutional Strengthening:** The findings highlight the need for capacity building and institutional strengthening at the local level. The uMgungundlovu case study reveals challenges related to human resource capacity,

financial management, and technological infrastructure. Recommendations stemming from the research advocate for targeted interventions to enhance the capabilities of local governments, ensuring effective implementation of fiscal decentralisation.

The research contributes to the theoretical foundations of fiscal decentralisation by challenging established frameworks and advocating for a more context-specific approach. It emphasises the importance of incorporating community perspectives and tailoring decentralisation strategies to the unique characteristics of each locality. This nuanced approach has practical implications for policymakers, offering guidance on how to design and implement effective fiscal decentralisation policies that align with the realities of local governance. In conclusion, the re-conceptualisation of a fiscal decentralisation framework within the uMgungundlovu District Municipality serves as a valuable addition to the body of knowledge in public administration and local governance. By unpacking the intricacies of fiscal decentralisation at the local level, the research provides actionable insights for policymakers, scholars, and practitioners, ultimately contributing to the ongoing discourse on effective and context-specific decentralisation strategies. The study's emphasis on community participation, capacity building, and tailored approaches marks a significant step towards refining theoretical frameworks and improving the practical implementation of fiscal decentralisation worldwide.

7.5 Study conclusion

The research on the conceptualisation of a fiscal decentralisation framework in the uMgungundlovu District Municipality offers a comprehensive and insightful exploration of the dynamics, challenges, and recommendations associated with local governance and fiscal decentralisation. The study revolved around five research questions, each with its unique research objectives, yielding critical findings that collectively shed light on the complexities of fiscal decentralisation within this South African district.

Research question 1 - Existing fiscal decentralisation practices and mechanisms: The examination of existing fiscal decentralisation practices and mechanisms reveals a nuanced landscape. The delicate balance between legislative powers and local autonomy emerges as a central theme. While municipalities are constrained by legislative requirements, there's a strong desire for greater local autonomy. Crucially, the findings underline the importance of community engagement and participation as essential components of local governance. Financial management practices, including clean audits, emerge as pivotal for building trust with creditors and investors. Furthermore, the role of information and communication

technology in ensuring transparency and citizen engagement is emphasised. Revenue collection challenges present a complex issue, highlighting the need for considering residents' economic circumstances while sustaining essential services. These findings reflect the intricate dynamics within fiscal decentralisation in uMgungundlovu.

Research question 2 - Challenges and gaps in the current fiscal decentralisation framework: The analysis of challenges and gaps in the current fiscal decentralisation framework uncovers a range of issues. Foremost among them is the challenge of financial sustainability. Municipalities struggle to secure adequate funding for essential services and infrastructure development, especially due to the insufficiency of equitable shares. Communication and community engagement gaps frustrate residents, emphasising the necessity for transparent and inclusive communication channels. Political competition, while upholding democratic principles, sometimes leads to misleading promises. The importance of clean audits for building trust and the debate around resource allocation and centralisation further compound the complexity of the fiscal decentralisation framework. The findings point to the need for comprehensive reforms and improvements in various aspects of local governance.

Research question 3 - Evaluating institutional capacity: The evaluation of the institutional capacity of the uMgungundlovu District Municipality highlights critical aspects. Achieving a clean audit is viewed as a crucial performance metric, indicating the municipality's ability to control key operations and build trust. Financial accountability extends beyond bureaucratic requirements; it influences residents' willingness to pay for municipal services. Community engagement is considered a necessity, and technology utilisation is seen as vital for facilitating efficient communication and transparency. Effective resource management is deemed critical for sustainable development. The findings provide valuable insights into the municipality's readiness to implement fiscal decentralisation.

Research question 4 - Developing a comprehensive conceptual framework: The proposal of a comprehensive conceptual framework for fiscal decentralisation tailored to the specific context of uMgungundlovu underscores the importance of financial accountability, transparent resource allocation, and cooperative approaches to governance. Community involvement and the use of modern technology for communication are essential components of the framework. These findings serve as a solid foundation for crafting a tailored fiscal decentralisation framework.

Research question 5 - Recommendations for policy adjustments: The recommendations and practical strategies offer a roadmap for the successful implementation of the fiscal decentralisation framework. Enhanced accountability mechanisms, corruption prevention, and resource allocation efficiency are essential. The shift from perpetual campaigning to effective governance is advised, focusing on community welfare over political interests. Financial sustainability, responsible borrowing, and transparent communication are pivotal elements in this process.

In conclusion, the research on the conceptualisation of a fiscal decentralisation framework in the uMgungundlovu District Municipality underscores the multifaceted nature of local governance and fiscal decentralisation. It is clear that there is a strong desire for greater local autonomy and financial sustainability, but legislative constraints, funding challenges, and communication gaps pose significant hurdles. The proposed conceptual framework prioritises financial accountability, cooperative governance, community involvement, and modern communication methods. The recommendations, rooted in the findings, emphasise enhanced accountability, corruption prevention, and responsible resource allocation. Implementing these recommendations and tailoring the framework to the district's unique context are vital steps toward improving local governance and service delivery. This research serves as a valuable resource for policymakers, stakeholders, and local authorities as they work toward effective fiscal decentralisation in the uMgungundlovu District Municipality, aiming to enhance the quality of life for its residents and promote sustainable development.

7.6 Recommendations for implementation of the study model

To operationalise the proposed fiscal decentralisation framework in uMgungundlovu, key actions were recommended. These recommendations aim to empower local governance, foster transparency, enhance community participation, ensure financial sustainability, and enable adaptive management, collectively steering uMgungundlovu towards successful fiscal decentralisation.

7.6.1 Strengthening legislative framework and autonomy

To effectively implement the proposed fiscal decentralisation framework in uMgungundlovu District Municipality, there is a critical need to engage with national legislative bodies. Advocacy for legislative reforms that grant greater autonomy to local governments should be prioritised. This involves a strategic approach to legislative negotiations, emphasising the

municipality's unique socio-economic context and the imperative for increased local decision-making powers. The engagement should seek to streamline legislative processes, reducing bureaucratic obstacles and empowering uMgungundlovu to make decisions that align with its community's needs. Moreover, efforts should focus on obtaining clear permissions and support from the central government, ensuring that the legal framework enables and encourages the effective implementation of the proposed fiscal decentralisation framework.

7.6.2 Establishing robust accountability mechanisms

One of the cornerstones of successful fiscal decentralisation is robust accountability. The uMgungundlovu District Municipality should prioritise the establishment of comprehensive accountability mechanisms, as suggested by the study. This involves the development and implementation of systems that not only monitor financial activities but also ensure transparency and responsible resource management. The municipality should consider creating an independent oversight body tasked with evaluating financial decisions, ensuring adherence to the proposed framework, and addressing any discrepancies promptly. Additionally, a mechanism for consequences in cases of failure or corruption should be instituted, reinforcing a culture of accountability and deterring malpractices. Emphasising accountability will build trust with residents, investors, and creditors, promoting a conducive environment for successful fiscal decentralisation.

7.6.3 Enhancing community engagement through technology

Community engagement emerged as a pivotal aspect of the proposed framework. To implement this effectively in uMgungundlovu, the municipality should leverage modern communication methods and technology. Establishing user-friendly online platforms and mobile applications can facilitate continuous and transparent communication between the municipality and its residents. These platforms should not only disseminate information but also encourage community feedback and participation in decision-making processes. The incorporation of social media channels can further enhance engagement, reaching a broader audience and fostering a sense of community ownership. The uMgungundlovu District Municipality should invest in training programs to ensure that both officials and residents are proficient in utilising these technologies, creating a dynamic and inclusive communication ecosystem.

7.6.4 Prioritising responsible borrowing for financial sustainability

Addressing the financial challenges identified in the study requires a strategic approach to resource mobilisation. The uMgungundlovu District Municipality should prioritise responsible borrowing practices as a means to supplement funding for essential services and infrastructure development. This involves establishing partnerships with reputable financial institutions and government entities to secure loans with favorable terms. The borrowed funds should be ring-fenced for specific services, aligning with the proposed framework's emphasis on responsible resource allocation. Additionally, the municipality should engage in financial literacy programs for residents, encouraging them to contribute financially to services and infrastructure enhancements. By adopting responsible borrowing practices, uMgungundlovu can bridge funding gaps and work towards financial sustainability in the long run.

7.6.5 Continuous monitoring and adaptive implementation

Implementing a comprehensive fiscal decentralisation framework is an iterative process that requires continuous monitoring and adaptive strategies. The uMgungundlovu District Municipality should establish a dedicated monitoring and evaluation unit responsible for regularly assessing the framework's implementation progress. This unit should actively seek feedback from residents, assess the impact of reforms, and identify areas for improvement. A commitment to adaptive management ensures that the municipality can respond promptly to challenges and capitalise on opportunities as they arise. Regular reviews and adjustments to the implementation strategy will contribute to the framework's success, allowing uMgungundlovu to navigate evolving socio-economic dynamics effectively. Continuous monitoring and adaptive implementation are crucial elements for the sustained success of fiscal decentralisation in the uMgungundlovu District Municipality.

7.7 Limitations of the study

The study's primary limitation is its focus on the uMgungundlovu District Municipality, which stems from time and resource constraints. While this focus allowed for an in-depth exploration of fiscal decentralisation in this specific context, it significantly restricts the generalisability of the findings to other municipalities in South Africa or emerging economies worldwide. To overcome this limitation and enhance the transferability of the research, it would have been valuable to incorporate a more diverse sample of municipalities or districts in the study, even if at a smaller scale. Additionally, examining how different contextual factors in various

regions affect fiscal decentralisation could provide a more comprehensive understanding of the broader landscape.

Another notable limitation is the reliance on qualitative data, which has inherent constraints in terms of generalisability. The findings from interviews and focus groups, while rich and insightful, cannot be broadly applied to larger populations. To mitigate this limitation, a complementary quantitative research component could have been integrated, allowing for a more representative sample and the potential for statistical generalisation. By combining qualitative and quantitative data, researchers could have provided a more holistic view of fiscal decentralisation in uMgungundlovu and increased the potential to draw broader conclusions.

Moreover, the study's participant selection process is a significant limitation. The participants, representing municipality stakeholders, might have their own interests and biases, which could have influenced the findings. A more diverse and impartial sample, including representatives from various sectors and community members, would have provided a more balanced perspective on fiscal decentralisation. Therefore, the study could be criticised for not fully capturing the nuances of local governance and fiscal decentralisation since it predominantly relied on the perspectives of those directly involved in the municipality's operations. A broader range of participants would have contributed to a more comprehensive understanding of the challenges and opportunities associated with fiscal decentralisation. In order for the researcher to arrive at a consensus at the end of the process, the study participants should be carefully picked as individuals who have all seen the occurrence in question (Baldwin, 2018).

Another limitation was that the study faced challenges in adhering to timelines due to the time-consuming nature of collecting and analysing both interview and focus group data. These time constraints may have impacted the depth of the research and the comprehensiveness of the data. Consequently, the study may not have fully explored all relevant aspects of fiscal decentralisation, leaving potential gaps in the findings and conclusions.

Lastly, the limitation of non-representative sampling could mean that certain perspectives, particularly those of marginalised or underrepresented groups, may not have been adequately included in the study. This limitation could affect the overall inclusivity and accuracy of the findings. Participants chosen for the study represented specific stakeholder groups within the municipality. While they provided valuable insights, participants may not fully represent the demographic and socio-economic diversity of the entire population within the municipality.

7.8 Recommendations for future research

This study has highlighted the challenges faced by uMgungundlovu District Municipality and has made recommendations that can be used to address specific factors contributing to the challenges and successes of fiscal decentralisation. However, the focus of the study was narrowed to uMgungundlovu District Municipality, which is a rural municipality.

Although there is a strong desire for greater local autonomy and financial sustainability in the district municipality, there is a need to gauge the evolution of fiscal decentralisation frameworks over time; longitudinal assessments are crucial. Future research could focus on tracking changes and adaptations in uMgungundlovu District Municipality's approach to fiscal decentralisation and measuring the impacts of these changes on service delivery and governance.

While this study relied primarily on qualitative data, future research can employ quantitative methods, including surveys and data analysis, to gather statistical evidence. A large-scale survey of residents or municipal employees could provide quantifiable insights into fiscal decentralisation issues, enhancing the research's depth and breadth.

Another relevant and interesting avenue for future research involves conducting a comparative analysis of fiscal decentralisation in both urban and rural municipalities. Investigating how decentralisation practices differ in these settings and how they address the unique needs of each community would contribute to a nuanced understanding of this governance approach.

It is further recommended that a study be conducted with in-depth case studies of municipalities, not only focusing on challenges but also on those that have successfully implemented fiscal decentralisation strategies. By examining what led to their success, what challenges they overcame, and their innovative practices, valuable insights can be gathered for other municipalities.

Moreover, it is recommended to delve deeper into the role of technology in improving fiscal decentralisation. Future research can assess the effectiveness of e-governance platforms, digital communication tools, and data analytics in promoting transparency, accountability, and civic engagement within municipalities.

Lastly, research into alternative resource allocation models, such as performance-based budgeting or outcome-based funding, could offer fresh perspectives on fiscal decentralisation.

Analysing the impact of different allocation models on the equitable distribution of resources and service delivery would be valuable.

These recommendations reflect the need for a multifaceted approach to research, addressing comparative analyses, data-driven assessments, localised case studies, and the evolving role of technology in fiscal decentralisation. They provide avenues for future research to further enrich the understanding of fiscal decentralisation and its implications for local governance and service delivery.

7.9 Final concluding remarks

The study on the conceptualisation of a fiscal decentralisation framework in the uMgungundlovu District Municipality significantly contributes to the understanding of intricate dynamics within local governance and fiscal decentralisation. With a focus on the uMgungundlovu District Municipality, the research employs a localised methodology to offer detailed insights into the effects of fiscal decentralisation on social welfare, economic growth, and grassroots government. In addition to enhancing scholarly debate, the micro-level research provides local administrators with practical insights to improve income mobilisation, expenditure management, and intergovernmental relations.

The objectives of the investigation have been methodically approached, ranging from analysing current fiscal decentralisation procedures to putting up a customised framework for the uMgungundlovu District Municipality. The results show a complex interplay of opportunities and challenges, highlighting important elements like the conflict between local autonomy and legislative powers, the need for increased community involvement, the significance of financial management practices, and the use of technology to ensure transparency. The problems analysis highlights concerns about communication gaps, financial sustainability, and the ongoing resource allocation dispute, indicating the need for extensive adjustments within the current framework of fiscal decentralisation.

The assessment of the uMgungundlovu District Municipality's institutional capacity also emphasises important facets, stressing the need of completing a clean audit, guaranteeing financial accountability, encouraging community involvement, and utilising technology for sustainable development. The complete conceptual framework that has been adjusted to the specific needs of the municipality emphasises the significance of cooperative governance, transparent resource distribution, and financial accountability. With an emphasis on improved

accountability, preventing corruption, and wise resource allocation, the policy proposals offer a road map for the effective execution of the fiscal decentralisation framework.

In conclusion, this study advances the theoretical understanding of fiscal decentralisation and offers practical insights to inform policy decisions and actions. Addressing the specific challenges and opportunities within the uMgungundlovu District Municipality, the research lays the groundwork for improving local governance, service delivery, and enhancing the quality of life for residents. The findings constitute a valuable resource for policymakers, stakeholders, and local authorities as they navigate the complex landscape of fiscal decentralisation, ultimately promoting sustainable development in the region.

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Appendices

Annexure A: Information Sheet and Consent to Participate in Research

Greetings,

My name is Buhlebakhe Msomi (212549611) from University of KwaZulu Natal, Westville campus. I am from the College of Law & Management Studies under the Graduate School of Business and Leadership.

You are being invited to consider participating in a study that involves research on “Conceptualisation of a Fiscal Decentralisation Framework: a case of uMgungundlovu District Municipality”. The duration of your participation if you choose to participate and remain in the study is expected to be 10 – 15 minutes.

This study has been ethically reviewed and approved by the UKZN Humanities and Social Sciences Research Ethics Committee.

In the event of any problems or concerns/questions you may contact the researcher or the UKZN Humanities & Social Sciences Research Ethics Committee, contact details as follows:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus Govan Mbeki Building

Private Bag X 54001

Durban 4000 KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557- Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

Your participation in the study is voluntary and by participating, you are granting the researcher permission to use your responses. You may refuse to participate or withdraw from the study at any time with no negative consequence. There will be no monetary gain from participating in the study. Your anonymity will be maintained by the researcher and your responses will not be used for any purposes outside of this study. All data, both electronic and hard copy, will be securely stored during the study and archived for 5 years. After this time, all data will be destroyed.

If you have any questions or concerns about participating in the study, please contact me at 212549611@stu.ukzn.ac.za.

Sincerely

Buhlebakhe Msomi (212549611)

CONSENT TO PARTICIPATE

I.....(insert name & surname) hereby agree to participate in the research study on the use of the Systems Thinking Approaches to develop a holistic model to improve stakeholder management in the EWS unit .

I do understand that this is for study purposes and that participation is voluntary. I have been informed that the discussion will be audio recorded for the purpose of data collection and transcription only, codes will be used to identify the respondents and after that the audio record will be destroyed.

I agree to be recorded during the interview.

If I have any questions or concerns about my rights as a study participant, or if I am concerned about an aspect of the study or the researchers then I may contact:

HUMANITIES & SOCIAL SCIENCES RESEARCH ETHICS ADMINISTRATION

Research Office, Westville Campus Govan Mbeki Building

Private Bag X 54001 Durban

4000

KwaZulu-Natal, SOUTH AFRICA

Tel: 27 31 2604557 - Fax: 27 31 2604609

Email: HSSREC@ukzn.ac.za

Signature Date

Annexure B: Interview Guide (Key Informants)

INTERVIEW GUIDE

PREAMBLE

My name is Buhlebakhe Msomi, I am a Doctorate Candidate at the Graduate School of Business, University of KwaZulu-Natal. I would like to thank you for agreeing to participate in this research project entitled “Re-conceptualizing Fiscal Decentralization Framework to improve service delivery: A case of uMgungundlovu District Municipality”. The aims of this study are to: Identify the conceptual framework that may be used to improve water and sanitation service delivery within uMgungundlovu District Municipality, specifically in poor communities.

Through your participation I hope to understand the contributing factors to lack of service delivery for water and sanitation within uMgungundlovu District Municipality. The results of these interviews are intended to contribute to development of a model that may be used in future studies to improve service delivery in other areas within uMDM, and even in other municipalities outside uMDM. I would like to ask you some questions that are related to your background, your knowledge, experience, and your opinion. In Particular the experience you have gained in the course of engaging with your local government counterparts specifically in relation to water and sanitation service delivery. This is to enable me to understand how the financial decentralization, political decentralization, administration decentralization, citizen participation and social accountability can be managed to improve water and sanitation service delivery to communities. This interview will help me gain insight into the impact of these variables within uMgungundlovu District Municipality.

Your participation in this project is voluntary. You may refuse to participate or withdraw from the project at any time with no negative consequence. There will be no monetary gain from participating in these interviews. Confidentiality and anonymity of records identifying you as a participant will be maintained by the Graduate School of Business and Leadership at UKZN. I would like to request for your permission to record the interview in order to make sure that all the information is well captured and transcribed accurately. It is also important that the recording device be tested prior to the interview in order to make sure that it is functioning correctly. If you have any questions please feel free to ask. Kindly read and sign the informed consent form before beginning the interview.

In the cause of this interview, the following keywords will be used: financial Decentralization, political decentralization, administration decentralization, citizen participation and social accountability.

Some of the key words used in the research can be briefly described as:

Decentralization: Decentralization is defined as transfer of administrative authority such as planning, decision making and the collection of public revenues from the central government to provincial institutions, local governments, or federal units (Eryilmaz, 2011)

Financial decentralization: is a set of policies designed to increase the revenues or fiscal autonomy of sub-national governments (Akorsu, 2015).

Political Decentralization: This refers to a set of constitutional amendments and electoral reforms designed to open new, or activate existing but dormant or ineffective spaces for the representation of sub-national politics (Akorsu, 2015)

Administrative Decentralization: Administrative decentralization refers to a set of policies that transfer the administration and delivery of social services to sub-national governments (Akorsu, 2015)

Citizen Participation: Citizen Participation is defined as ability of citizens to attend, contribute and decide on important issues in county government (Wangari, 2014)

Fiscal Decentralization: Fiscal Decentralization is defined as set of policies designed to increase the revenues or fiscal autonomy of sub-national governments (Akorsu, 2015).

Social Accountability: This refers to actions by civil society and citizens to push office holders to report on and answer for their actions (Brinkerhoff & Wetterberg, 2015).

Service Delivery: This refers to the provision of social services, such as potable water supply, good roads, healthcare delivery and electricity, intended to alleviate human suffering and by extension, enhance the quality of life of the citizens (Abe & Monisola, 2014)

The interview should take about 30 minutes to complete.

INTERVIEW

1. PLEASE TELL ME, WHAT IS THE INFLUENCE OF **FINANCIAL DECENTRALIZATION** ON WATER AND SANITATION SERVICE DELIVERY AT UMGUNGUNDLOVU DISTRICT MUNICIPALITY?

- Share with me, what is the influence of **revenue decision making** on water and sanitation service delivery at uMgungundlovu District Municipality?
- Tell me, how does **expenditure decision making** influence water and sanitation service delivery at uMgungundlovu District Municipality?
- How does local **revenue generation** influence water and sanitation service delivery at uMgungundlovu District Municipality?
- What is the influence of **national borrowing** on water and sanitation service delivery at uMgungundlovu District Municipality?

2. TALK TO ME, HOW DOES **POLITICAL DECENTRALIZATION** INFLUENCE WATER AND SANITATION SERVICE DELIVERY AT UMGUNGUNDLOVU DISTRICT MUNICIPALITY?

- How do **legislative powers** influence water and sanitation service delivery at uMgungundlovu District Municipality?
- How does **political competition** influence water and sanitation service delivery at uMgungundlovu District Municipality?
- What is the influence of civil liberties on water and sanitation service delivery at uMgungundlovu District Municipality?

3. HOW DOES **ADMINISTRATION DECENTRALIZATION** INFLUENCE WATER AND SANITATION SERVICE DELIVERY AT UMGUNGUNDLOVU DISTRICT MUNICIPALITY?

- Share with me, what is the influence of **autonomy to contract services** on water and sanitation service delivery at uMgungundlovu District Municipality?
- How does the **autonomy to hire and fire** employees influence water and sanitation service delivery at uMgungundlovu District Municipality?
- What is the influence of **autonomy to sign employment contracts** on water and sanitation service delivery at uMgungundlovu District Municipality?
- How do **expertise of employees** influence water and sanitation service delivery at uMgungundlovu District Municipality?

4. HOW DOES **CITIZEN PARTICIPATION** INFLUENCE WATER AND SANITATION SERVICE DELIVERY AT UMGUNGUNDLOVU DISTRICT MUNICIPALITY?

- How does **attending meetings** influence water and sanitation service delivery at uMgungundlovu District Municipality?
- How does **lodging complaints** influence water and sanitation service delivery at uMgungundlovu District Municipality?
- How does **raising voice** influence water and sanitation service delivery at uMgungundlovu District Municipality?
- What is the influence of **direct contribution** water and sanitation service delivery at uMgungundlovu District Municipality?

5. HOW DOES **SOCIAL ACCOUNTABILITY** INFLUENCE WATER AND SANITATION SERVICE DELIVERY AT UMGUNGUNDLOVU DISTRICT MUNICIPALITY?

- What is the influence of **information dissemination** on water and sanitation service delivery at uMgungundlovu District Municipality?
- What is the influence of **complaint mechanism** on water and sanitation service delivery at uMgungundlovu District Municipality?
- What is the influence of **community monitoring** on water and sanitation service delivery at uMgungundlovu District Municipality?
- What is the influence of **public hearing** on water and sanitation service delivery at uMgungundlovu District Municipality?
- What is the influence of **social audits** on water and sanitation service delivery at uMgungundlovu District Municipality?

CLOSING REMARKS

Is there anything else on these issues you would like to add that I did not cover in this interview?

Thank you for making the time to meet with!



DUZI – CORP 56 CC

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HAYFIELDS
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CK 2005/112750/23

E-MAIL :

CELL NO : 082 836 4161

28 November 2018

To whom it may concern

RE: Name of Student: Buhlebakhe Msomi

Student number: 212549611

Supervisor: Dr Matshediso Ndlovu

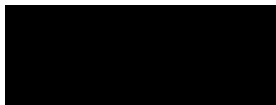
Dissertation topic: **Conceptualization of a Fiscal Decentralization Framework: a case of uMgungundlovu District Municipality.**

This letter confirms that I, Tuksy Ngcobo grant the above student permission to conduct research by engaging our employees at Duzi-corp 56 cc for the purposes of his academic research.

The main aim of his research is to study the improvement of service delivery related to water and sanitation to poor communities within uMgungundlovu District Municipality. The procedure has been explained to me and I therefore give consent to this survey which will be conducted using interviews.

I understand that employees will voluntarily participate in this study and that there will be no penalties should they wish to withdraw from participating.

Kind regards



Tuksy Ngcobo



human settlements

**Department:
Human Settlements
PROVINCE OF KWAZULU-NATAL**

199 Pietermaritzburg Street, Pietermaritzburg 3201, Private Bag X9045, Pietermaritzburg 3200 Tel: (033) 845 2000, Fax: +27 33 845 2028, E-mail: thokozani.magagula@kzndhs.gov.za Web: www.kznhousing.gov.za

To whom it may concern

RE: Name of Student: Buhlebakhe Msomi

Student number: 212549611

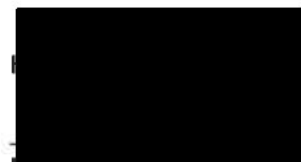
Supervisor: Dr Matshediso Ndlovu

Dissertation topic: **Conceptualization of a Fiscal Decentralization Framework: a case of uMgungundlovu District Municipality.**

This letter confirms that I Thokozani Magagula grant the above student permission to conduct research by engaging our employees at the Department of Human Settlement for the purposes of his academic research.

The main aim of his research is to study the improvement of service delivery related to water and sanitation to poor communities within uMgungundlovu District Municipality. The procedure has been explained to me and I therefore give consent to this survey which will be conducted using interviews.

I understand that employees will voluntarily participate in this study and that there will be no penalties should they wish to withdraw from participating.



**Mr T.L. Magagula
Director: Project Management
Inland Region**

07/12/2018
Date



cogta

Department:
Cooperative Governance and Traditional Affairs
PROVINCE OF KWAZULU-NATAL

28 November 2018

RE: Name of Student: **Buhlebakhe Msomi**
Student number: **212549611**
Supervisor: **Dr Matshediso Ndlovu**

TO WHOM IT MAY CONCERN

Dissertation topic: Re-conceptualizing Fiscal Decentralization Framework to improve service delivery: A case of uMgungundlovu District Municipality.

This letter confirms that I grant the above student permission to conduct research by engaging our employees at the Department of Cooperative and Traditional Affairs for the purposes of his academic research.

The main aim of his research is to study the improvement of service delivery related to water and sanitation to poor communities within uMgungundlovu District Municipality. The procedure has been explained to me and I therefore give consent to this survey which will be conducted using interviews.

I understand that employees will voluntarily participate in this study and that there will be no penalties should they wish to withdraw from participating.

Kind regards



OFFICIAL OFFICER

05 March 2019

Mr Buhlebakhe Msomi (212549611)
Graduate School of Business & Leadership
Westville Campus

Dear Mr Msomi,

Protocol reference number: HSS/0068/019D

Project title: Re-conceptualizing Fiscal Decentralization Framework to improve service delivery: A case of uMgungundlovu District Municipality

Approval Notification – Expedited Application

In response to your application received on 18 January 2019, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment/modification prior to its implementation. In case you have further queries, please quote the above reference number. **PLEASE NOTE:** Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours

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Dr Rosemary Sibanda (Chair)

/ms

Cc Supervisor: Dr Joy Matshediso Ndlovu
cc Academic Leader Research: Professor Muhammad Hoque
cc School Administrator: Ms Zarina Bullyraj

Humanities & Social Sciences Research Ethics Committee

Dr Rosemary Sibanda (Chair)

Westville Campus, Govan Mbeki Building

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Founding Campuses:  Edgewood  Howard College  Medical School  Pietermaritzburg  Westville