


**AN EVALUATION OF THE PROBLEMS FACING THE MASERU CITY  
COUNCIL (MCC) IN THE PROCESS OF URBAN MANAGEMENT IN MASERU**



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## CHAPTER 1: INTRODUCTION

### 1.0 Research Topic

Research Topic: An evaluation of the problems facing the Maseru City Council (MCC) in the process of urban management.

### 1.1 Purpose of Dissertation

Local governments in most cities are experiencing a lot of problems that range from lack of ability to generate its own finances to poor records of service delivery and inability to undertake urban projects.

The World Bank and the United Nations Center for Human Settlements (UNCHS) see urban management as a response to the problems of African urban areas particularly from the 1980s. It has been seen as an approach that can solve the problems of local government. This is because it stresses the importance of achieving a new balance between central government, it insists on strengthening local government and also aims at decentralization through giving local government more power to prioritize, plan and implement its projects and also have control over fiscal matters and local revenues.

Traditionally urban management was a task for local governments and central governments only, but today, urban management is a task for local government, central government with other agencies such as the Non Governmental Organizations (NGOs), Community Based Organizations (CBOs) and other private and parastatal bodies within the city.

The purpose of this dissertation is to look into the nature of urban management in Lesotho. The study focuses its attention on one particular case study, the Maseru City Council (MCC). The MCC is the only urban local government structure in the whole of Lesotho and it is tasked with urban management in Maseru. However, like other local government structures in Africa, the MCC is failing miserably in its task. Roads in Maseru are in a continuous state of



disrepair and are continuing to deteriorate, frequently the streets are dark at night because the Council is not able to pay for the electricity to the responsible body, there is garbage pile up because the removal services are less than adequate and also most settlements in Maseru are characterized by unplanned and haphazard developments. Most importantly, the study aims at trying to establish why the MCC is failing.

## **1.2 Research Problem**

Most urban areas in the world, particularly African urban areas, are growing at a very high rate. Governments are faced with the challenge and pressure of having to provide adequate services and efficient infrastructure in these urban areas, as well as to maintain the already existing infrastructure for both old urban residents as well as new arrivals.

The pressures became even greater in the 1980's when most African countries were experiencing severe economic decline, which led to a worsened situation as, high population growth rates were coupled with a low economic base. Most governments found themselves in a situation where service provision could no longer keep up with the increase in population, even to maintain the already existing infrastructure. As a result, services and facilities quickly deteriorated in these African states. According to Stren (1991:10),

“in many cities, refuse is uncollected and piles of decaying waste are allowed to rot in the streets,...some urban roads degenerate into quagmires in rainy season...public transport systems are becoming seriously overloaded; and more and more people are obliged to live on unserviced plots in temporary (sometimes called 'squatter') housing, where electricity connections and fresh drinking water are scarcely available”.

In the 1990's African cities continued to grow at rates that by far exceeded those

of the developed world. According to the Global Report on Human Settlements of 1996, this situation posed two challenges; the first challenge was the concern for more effectively managed urban services so that, “a minimum efficiency could be assured for the continued functioning of the urban economy; and the increasing number of the urban poor could have access to clean water, health centers, education, public transport and other elements of public infrastructure” (p10). The second challenge “was to develop a governance system which provided access to local decision...”(Ibid).

The World Bank became particularly concerned with the inability of most African states to deliver development programs to their people at the local level. The World Bank indicated that, one of Africa’s most urgent needs was to improve institutional capacity (Global Report on Human Settlements, 1996). Urban management has been seen as a new approach, particularly by the World Bank, to solving the problems of local governments as bodies responsible for the administration of urban services.

Many governments have resorted to decentralization as a way of trying to solve the problems of the provision and maintenance of public service infrastructure. Local government has been given a certain level of autonomy and independence to carry out the urban management process in urban areas. However, in most cases, central government has given local governments such a task without giving it full autonomy. Local government still depends to a large extent on central government for a variety of issues.

The Lesotho Government is no exception in this regard. In 1989 the MCC was established to carry out urban management in Maseru. However, the council has not to date been able to effectively carry out all the duties entrusted upon it. A number of reasons have been attributed to this failure and amongst these has been the fact that, even though the MCC is given a wide range of responsibilities, it is greatly understaffed and therefore not capable of achieving

most of its goals. Secondly, the MCC is not financially self-sufficient and this is due to the fact that the council lacks the capacity to generate adequate resources particularly from rates levied on property. The lack of total autonomy is yet another factor that has negatively impacted on the performance of the council, as in most cases it does not have the authority to make decisions.

It was suggested in the Global Report on Human Settlements of 1996 that, 'local government could play a great role if allowed more autonomy and regular, independent sources of revenue...' (p161).

### **1.3 Focus of Inquiry**

There are two major reasons for focusing on the MCC as the case study. These are:

- The MCC is the first and the only urban local government structure in Lesotho and
- It can be said to be failing as an urban authority, therefore one would like to find out the reasons for this failure.

### **1.4 Research Question**

#### **1.4.1 Key Question**

What are the factors hampering the effectiveness of the MCC in the process of urban management in Maseru?

#### **1.4.2 Sub-Questions**

1. What are the problems of urban management in Maseru?
  - 1.1 Are services adequately provided?
  - 1.2 Is there evidence of a crisis in service provision?
2. To what extent are these problems the result of weak local government?

3. What are the relationships between the MCC and the central government?
4. Does the MCC have sufficient autonomy and power carry out its duties and functions?
  - 4.1 Sufficient legal autonomy?
  - 4.2 Sufficient financial autonomy – does it have adequate financial resources to carry out its services?
5. Does the MCC have sufficient capacity?
  - 5.1 Does it carry out all its duties and functions effectively?
  - 5.2 Does it have adequately trained staff to carry out its duties and functions?
6. Does the MCC have sufficient functions to make it an important municipality council?

### **1.5 Hypothesis**

The MCC does not have the necessary powers or sufficient resources to dispose of its duties.

### **1.6 Research methodology**

Data for the research has been collected through two sources, namely,

1. Primary sources
2. Secondary sources

Primary sources of data collection included personal interviews with different key respondents, including

- Town Clerk
- High ranking officials within the council – Legal Officer, Public Relations officer, Acting Financial Officer, and the Human Resource Officer
- Two Councillors

- Principal Secretary in the Ministry of Local Government
- Academics at the National University of Lesotho, (NUL).
- A former employee of the MCC

This is a reasonably large number of people in order to ensure that a cross-section of perceptions about the problem is obtained – i.e. people looking at similar issues but from different perspectives.

- Financial statements of the MCC – budgets

Revenue and grant summaries

Expenditure summaries

- Councils organizational charts

Secondary sources included – textbooks, UN publications, publications from the institution of Southern African Studies (ISAS) and other legal documents particularly those that set up the MCC.

### **1.7 Limitations to the study**

The first limitation pertains to the whole issue of the bureaucracy within the Council. Some staff members felt they could not be interviewed without permission from the Town Clerk. This created a problem for the researcher because, most of the time the Town Clerk was not in the office, attending meetings and workshops both inside and outside the country. His absence made it difficult to obtain information.

The second limitation was the difficulty the personnel officer had in giving out information relating to staff and Councillors' levels of qualifications in relation to the positions that they hold within the Council, because the personnel officer felt it was a very sensitive issue. As a result it has been very difficult for the researcher to establish whether positions within the Council are held by suitably qualified people or not. It has also been very difficult to determine the level of understanding of the Councillors towards the jobs that they perform within the

MCC.

Thirdly, the Council does not have a good filing system. As a result, the finance department has not effectively kept financial statements, budgets, and revenue and expenditure reports. The researcher had to dig out and use whatever was available, thus some of the financial statements, which have been used date as far back as the 1994/95 financial year because the more recent ones could not be found.

### **1.8 Chapter outline**

**Chapter 2: Conceptual Framework** - This chapter will provide a conceptual/theoretical framework for the study. The chapter will start by trying to define local government in both Francophone and Anglophone Africa and how the colonial legacy has affected them. It will go on to look at the sources of finance and duties and functions of local government as a way of trying to establish whether they are adequate for the duties they are expected to perform or not. It will go further to look into the crisis of local government in Africa.

Given the nature of the crisis of local government in Africa, the chapter will go further and discuss the emphasis on urban management as a response to the crisis of local government and decentralization as a prerequisite for an effectively functioning local government.

**Chapter 3: Local government in Lesotho** - This chapter will focus on the history of local government in Lesotho and how the political and economic forces have impacted on its evolution. It will look at the laws that set up local governance in Lesotho and the powers and functions of local government. It will basically be providing a general overview on Local government in Lesotho.

**Chapter 4: Maseru City Council: Background Study** - This chapter will

provide a background on Maseru City Council. It will discuss the laws that set it up, its powers and functions, the structure of the MCC, its sources of finance, the relationships between the Central Government and the MCC, and the chapter will go further to provide an analysis of urban management in Maseru, as well as the problems of urban management in Maseru.

**Chapter 5: The case study: MCC** – Chapter 5 will provide the major findings of the study. The chapter basically sets out to answer the questions it set for itself initially. The first part of the chapter will outline the problems of the Maseru City Council, while the second part of the chapter will address the factors that have brought about problems of urban management for Maseru City Council.

**Chapter 6: Conclusions and recommendations** – This chapter will be divided into two parts. The first part will be the general conclusions which will synthesize all the discussions, comments and conclusions drawn from the other chapters in the dissertation. The second part will try and give some recommendations towards a more efficient local government structure in Lesotho.

## **CHAPTER 2: CONCEPTUAL FRAMEWORK**

### **2.0 Introduction**

In both the developed and developing world, there is a general agreement that local authorities are the main actors in terms of urban management. However, most local authorities, particularly in Africa, have not been performing well. Most African cities are characterized by poor infrastructure; the roads are in bad condition and are continuing to deteriorate. Garbage is left uncollected and piles of decaying waste are allowed to rot in the streets. Also, more people are living on unserviced plots in squatter settlements where necessities such as electricity and clean water are not present. Urban authorities have been allocated weak financial bases but assigned to perform duties that do not match their resource disposition. Furthermore, their own capacity to mobilize and utilize the very resources they have collected is very poor.

Local governments have also been hindered in their performance as urban managers by the strong controls that central governments have over them. Swilling (1997:21) indicates that, "the central governments deprive local government of the necessary autonomy of the critical functions of management, for example, budgeting and fiscal administration". As a result of this, local governments are said to have a history of poor delivery and maintenance of urban infrastructure. Governments in most countries in the developing world have been mostly centralized, particularly during the period following independence. This has had a very negative impact on local government performance because local government had to depend on central government for its survival.

The World Bank in particular, since the 1980's has seen urban management as the preferred approach to solving the problems of local government. Decentralization is assumed to be a necessary condition for successful urban management. Many governments have resorted to decentralization as a way of



trying to solve the problems of the provision and maintenance of public service and infrastructure (Rondinelli et al 1983). Power and authority should be decentralized to local governments in order for local authorities to be in a position to make their own decisions without any interference from central government for effective urban management.

The purpose of this chapter is to provide a comprehensive theoretical background on a number of interrelated issues that provide a framework for this study. The chapter will attempt to define local government in both Francophone and Anglophone Africa, but will concentrate more on Anglophone Africa, as Lesotho falls within the category of Anglophone African countries. The chapter will attempt to provide a list of duties and functions of local government and sources of finance for local authorities shall be looked into, with the aim of trying to establish whether they are adequate or not, as this will have a direct bearing on the quality of services that local authorities will provide. It will go further to indicate the crisis of local government, which is a factor that has caused the poor performance of local governments in Africa generally. The concept of urban management as a response to the crisis of local government is then introduced. Lastly, decentralization as a prerequisite for effective urban management shall be discussed.

## **2.1 Defining local government**

According to Jennings (1948), local government may have a number or a variety of meanings. Jennings (1948:1) argues that, since it is a 'government', "the system of local government which a country adopts must be part of its governmental or constitutional structure". Since it is 'local', "it relates to specific portions of the country defined by locality". Local government can therefore be defined as government organs having jurisdiction not over the whole country but over specific portions of it. They are government authorities that can exercise functions over defined local areas. It is also government that is subordinate to

some higher governmental authority, but not necessarily under central administrative control.

Reddy (1996:3) defines local government as “ the second or third tier of government deliberately created to bring government to the grass roots, as well as to give its members a sense of involvement in the political process that controls their daily lives”.

## **2.2 Local Government in Africa**

The most important component of local government in both Francophone and Anglophone Africa is their colonial legacy and how it has shaped the local government structures that are in place in Africa today (Mawhood, 1993). Countries that were colonized by Britain and France from the late 19th century to the 1960's have different approaches to local government (Global Report on Human Settlements 1996). Francophone countries are characterized by a pattern known as the communal structure, while Anglophone countries are characterized by the representative council structures. There is indication that, these two structures overlapped to some degree by the 1990's, but their essential elements could still be distinguished.

### **2.2.1 Francophone Africa**

The urban government structure that existed in countries that were formerly colonized by France was based on the French laws dating as far back as 1884. It was a centralist type of metropolitan administration system, and it provided for Communes with mayors, municipal councils, and specific revenue and expenditure powers and procedure (Ibid). In the late 1950's when most Francophone countries gained their independence, municipal councils, particularly in larger cities such as Abidjan, were given a wider range of local services, and presided over by an elected mayor.

It was only in the 1980's that Francophone Africa moved toward a more

democratic and decentralized framework of the metropolitan government structure. Regular and multi-party elections were organized at both the local and national levels. In Cote d'Ivoire, powers were transferred between the central and local authorities and resources, in the form of personnel and taxation powers, which were given to communes to manage.

Even though great attempts were made at trying to decentralize, central government still had a lot of important powers over local government. According to the Global Report on Human Settlements (1996), a number of laws were put in place, that were aimed at defining the powers and institutions of the new communes, elaborating a specific regime under which they would be controlled by central government. For instance, in Dakar, centrally appointed officials exclusively carried out the administration of the communes. This has led, as a consequence, to the setting aside of any participation by the elected members of the communes.

### **2.2.2 Anglophone Africa**

In Anglophone Africa, during the colonial period, the ruling British Labour Party emphasized the need for democratically elected local councils for the administration and finance of local services (Global Report on Human Settlements, 1996). According to Stren and White (1989:22), "African colonies were brought to a new level of local involvement with the Colonial Office decision in 1947 to introduce 'an efficient and democratic system of local government' in each dependency". The new Labour Party's policy on local government in the colonies has been characterized as follows:

- local authorities should be institutionally separate from central government and assume responsibility for a significant range of local services (primary education, clinics and preventative health services, community development and secondary roads being the most common).
- authorities should have their own funds and budgets and should raise a

- substantial part of their revenue through local direct taxation
- Local authorities should employ their own qualified staff, who would be seconded from the civil service where necessary
  - The authorities should be governed internally by councils, composed predominantly of popularly elected members
  - Government administrators should withdraw from an executive to an advisory inspectorial role in relation to local government (Reddy, 1995:3).

However, Stren and White (1989) have argued that this decision by the Labour Party was intended to by-pass the nationalistic political movements in the colonies, and it did not particularly have any resemblance to what the central-local relation was in Britain.

In the 1960's, when most African states had attained their independence, there was a change in government structures as new political parties contested national leadership. During this time, "many observers expected that new governments would restructure inherited colonial bureaucracies to incorporate a greater level of public participation at local level. A more decentralized system was therefore expected to emerge" (Subban, 1996:24). However, this was not to be. "In most English-speaking countries, the political autonomy and fiscal resource base of municipal governments was progressively restricted during the 1960's and 1970's" (Global Report on Human Settlements, 1996:172). Local authorities were not capable of raising financial resources, and coupled with the fact that central government had put some restrictions on central-local government financial transfers, meant that it became almost impossible for local government to carry out all its duties. Local government became increasingly unable to cope with the demand for improved education, health, and other local services.

Mapetla and Rembe (1989) indicate that most African countries reverted back to central control after attaining their independence because, firstly, local

authorities had a weak financial base and as such were seen as financial liabilities. Secondly, many newly independent countries wanted to attain economic growth. With limited resources, government believed that funds should be allocated carefully according to a list of priorities. And in order for planning to be effective, a high degree of centralization of control of both resources and decision-making was thought to be required. Thirdly, the reversion was due to the desire of national leaders and central government officials to stay in power.

By the 1970's there was a concern that African public administration was too centralized (Stren and White, 1989). In 1972 Nyerere expressed the view that,

“the physical and bureaucratic distance between local areas and the center were frustrating the development needs of the country ‘that’...when all powers remain at the center, therefore, local problems can remain and fester, while local people who are aware of them are prevented from using their initiative in finding solutions...at present (local) officials have, in reality very little power...”(Ibid,23).

As a result of all these, more significant attempts were made at decentralization in most Anglophone African states. Tanzania took the lead in 1972, following Nyerere's speech. Nigeria followed in 1975 under military rule, and finally Sudan. However, this attempt by central government at decentralization had been nothing more than a bureaucratic attempt by government to ease people's minds. For instance “the Tanzanian initiative ...was little more than the deconcentration of central government functionaries to the regional and district level, where democratically elected local councils were abolished, to be replaced by committees dominated by officials” (Global Report on Human Settlements (1996:172).

The exercise was a limited success in Nigeria, where it resulted in the Local Government Act of 1976. This Act provided for the establishment of a uniform

pattern of local government in the whole country. Election of local councilors followed in 1976, and by the end of the military regime, there were 299 local authorities in Nigeria, with clearly stated functions, defined boundaries and provision for ensuring adequate financial and human resources (Lapido, 1979 in Global Report on Human Settlements, 1976).

By the 1980's both Anglophone and Francophone African states had weak and poorly functioning local governments. There was growing concern about the inability of many governments to deliver development programs to their people at the local level. The experiments with both British and French models throughout Africa have varied, but generally they have been very disappointing.

As a result there was an emerging recognition of the potential importance of effective municipal governments across the African continent (Stren, 1992). For instance, in 1983 Senegal passed legislation to provide power and allow for democratically elected and accountable local governments. In Tanzania, a full municipal government was re-established, following the abortive period of decentralization from 1972 through to 1978. Of great importance is the fact that, " governments across Africa are increasingly understanding the linkages between decentralization, local democracy and improved urban management" (World Bank 1989, cited in Stren 1992). However, central government still retained the two most important elements of control, namely local government finances and the powers to make decisions.

According to Subban (1996:26), "this period coincided with the structural adjustment program which introduced certain contradictions for local government". The World Bank advocated less involvement of government in the economy and more government decentralization and emphasized the importance of privatization. If government was to be less involved in the economy and services decentralized, it meant that the local government structures had to focus on cost recovery. With the introduction of the market

concept into the local government, people had to pay for services rendered. However, given the fact that unemployment was on the increase, people could not afford to pay for these services and if people do not pay, it meant there was no money for the maintenance of services and infrastructure.

From the 1990s onwards, many countries recognized that local government must be empowered to effect local solutions, in order to develop cities holistically (Subban, 1996). Subban goes further to show that there has also been a growing awareness of the potentially productive role of local government in raising resources, providing services, stimulating private investment and implementing national development policies. There is a clear consensus in development literature on local government strengthening and assuming a more productive and meaningful role in urban reconstruction and urban management.

### **2.3 Sources of finance for local governments**

Local governments need a sound financial base in order to perform duties and functions assigned to them, preferably without appeals for direct expenditure from central governments. Dillinger (1993) identifies various ways in which local governments can collect revenue for the various functions it has to perform:

#### **(i) User charges**

User fees are paid for the consumption of a good or service provided by a local government or by one of its utilities. Devas (1999:8) argues that, "there are strong economic arguments for charging consumers the full cost (or at least the marginal cost) of the services". Devas goes further to show that, this is basically to ensure that consumption and production are based on correct incentives, so as to make the best use of scarce resources. Such services include water, bus transit, toll roads, fees for refuse collection and sewage, etc. The problem with charging for services is how to ensure that the poor can obtain basic necessities where the cost of recovering price is beyond their ability to pay.

**(ii) Taxes**

Local taxes are in principle an appropriate means of financing services whose benefits are localized and cannot be confined to individual consumers, but nevertheless do not extend beyond the municipality boundaries (Dillinger, 1993). Local taxes are highly regulated by central government. In most developing countries taxes for financing local governments are usually divided into three categories. Namely, property tax, automobile tax and business tax. The most important is property tax.

Property tax in many countries is based on the value of properties owned by households and enterprises. In most cases it includes land and residential development, as well as industrial and commercial construction. However, Prud'homme (1989) argues that, property tax has a major drawback; it is a tax difficult to administer, leading to three types of leakages;

- a) Coverage may be incomplete – this is because to have a well maintained cadastre is costly and difficult. As a result some plots and buildings go undetected and escape taxation
- b) Valuation may be inadequate – it can become costly, particularly in urban areas of the developing world, to assess correctly the value of each piece of property. There is also a problem of out-dated property registers, which means that new buildings are not added.
- c) Collection may be insufficient – sending bills to every taxpayer and collecting the amount due is technically and politically very difficult.

As a result of all these factors, property tax revenues have tended to stagnate or even decline in many cities. Cities are currently trying to put in place measures to reinvigorate the urban property tax.

**(iii) Central Government transfers**



Another source of local government finance is the transfer of funds financed from the principal revenue sources of central and state governments. Dillinger (1989) indicates that, in most Anglophone countries in Africa, an intergovernmental grant is the money received from higher levels of government. In Francophone African countries, where central governments collect taxes specifically on behalf of local governments, it is usually the proceeds turned over to the jurisdiction where they were collected.

#### (iv) Loans

Sometimes local governments have the authority to borrow money in order to carry out some of the developmental projects. Loans must be based on the forecast of the capacity of the borrower to repay the loan.

### 2.4 Functions of local governments

According to a survey conducted by the South African Development Community (SADC) in 1988, the following were found to be services provided in the urban areas by local authorities (Moyo, 1989):

**Table 1: Functions of Local Governments**

Parks	Street cleaning
Sanitation	Housing
Refuse collection	Water and sewage
Clinics	Primary education
Estate – industrial, residential	Fire and ambulance association
Planning and zoning	Recreational facilities
Camping site	

However, it is not all local government authorities that perform all these duties. The duties and functions differ from one municipality to the next depending on the municipality's size, ability to generate resources and the level of autonomy it

enjoys.

## **2.5 Crisis of Local Government**

According to Swilling (1997), local government performance of the entire range of inherited urban municipality systems in both Anglophone and Francophone Africa has not been very impressive, even after the numerous attempts at local government reform. Swilling (1997:20) indicates that,

“urban authorities from Cape Town to Cairo and Dar-es-Salaam to Dakar, demonstrate a serious absence of popular trust, lack of accountability, weak institutional capacities and extremely poor delivery records. Most of them have not been able to perform the basic functions of ensuring the maintenance of law and order, the delivery of social and economic services, and the regulation and facilitation of socio-economic activities”.

Factors such as political instability, unregulated inter-governmental relations and poor co-ordination, fiscal dependency, ineffective administration and limited private sector participation have been listed as the most common features of local government, particularly in Anglophone West Africa.

### **2.5.1 Economic and population growth crisis**

Most of these urban municipalities are functioning under very difficult circumstances. Most important is the whole issue of high population growth rates coupled with the stagnation of the economy. Stren and White (1989:20) indicate that,

“by the late 1970's most African economies were stagnating or even declining in absolute terms. The economies of oil rich countries such as Nigeria and Ivory Coast are under a lot of stress, with a negative balance of payments and

increased debt. The reason for this downturn included a combination of inappropriate government policies, the dramatic increase in the price of imported oil and falling world prices for primary exports”.

Economic pressures from the 1970's have forced central governments to cut back on their grants to the urban councils, at the same time local governments have been prevented from increasing charges on their main local sources of revenue such as property tax. As a result, urban services and infrastructure have been slowly deteriorating. In most of these African cities provision of urban services has not been able to keep up with the rapid population growth. Services are deteriorating and the rate of urban growth has by far outstripped management capacity and financial resources. The systems of water supply, sewage disposal, refuse disposal and electricity supply are inadequate both in the coverage of the urban areas and the maintenance of services.

### **2.5.2 High levels of centralization**

In the 1980's most African states were the highest centralized amongst the world's continents (Laleye and Olowu, 1989). Central planning and administration was considered necessary to guide and control the economy and to integrate and unify nations that were emerging from periods of colonial rule. There was centralization, for example, both in the concentration of public sector personnel as well as the expenditure profiles of their governments. While the high levels of centralization in local government finance has had some benefit to local government such as, enabling local government personnel to enjoy conditions of service similar to those in the states' civil service, it has however, not succeeded in attracting professionals into the local government service. According to Laleye and Olowu (1989:119) this is not because skills are scarce but because, firstly, “in some cases the personnel systems are not responsive enough to the needs of local governments, because of the belief that local governments can make do with less qualified staff”. And secondly, most local

governments do not have schemes of service development for its staff. As a result local governments at most times do not have highly qualified personnel to effectively carry out functions and duties.

### **2.5.3 Intergovernmental relationships**

A number of prominent authors in local government issues have been writing on "how does central government control and influence the activities of local government" (Hambleton, 1978:25), "the subordination of local autonomy to the dictates of central power" (Robson, 1984:16), "the preference for deconcentration" (Hyden and Bratton, 1991:88) and many other expressions that basically indicate the unwillingness of central government to give government bodies at the local levels powers that would facilitate effective operations of local authorities. Swilling (1997) has also indicated that local governments are subject to constraints on their freedom of action and are the targets for new policy initiatives from the center. He goes further to indicate that central governments deprive local governments, to a large extent, of the necessary autonomy in some of the critical functions of management. Basically, the relationships between local governments and central governments have not been conducive to fostering effective urban management.

Dillinger (1993) comes up with the three types of intergovernmental relations. He calls the first one the over-controlled local sector, the second, the under-controlled local sector and the third he calls the perversely regulated local sector.

#### **(a) The Over-controlled Local Sector**

The over-controlled local government structure is characterized by two factors and according to Dillinger (1993) the first is the fact that a substantial proportion of the total public expenditure is made directly by the central government while the second is that local government, even with its circumscribed expenditure role, functions largely as an administrative arm of central government with

central government appointing the municipal executive, and dictating virtually all expenditure and revenue decisions of local government.

Local government structures in most developing countries exhibit characteristics of the over-controlled local sector type of arrangement. Central government through the ministry of Interior or Local Government depending on which country it is, has the powers to approve local government budget before any funds can be disbursed to it. The approval process of such a budget includes “a verification that all centrally mandated expenditures are in the budget and a verification that personnel expenditure aggregates agree with the *Loi de Cadres* for each year, the payroll of authorized grades and positions, and with treasury allocations for municipal expenditure” (Ibid, 18). For instance in a country like the Philippines until quite recently,

“the overall size of each local government budget was determined by the local representative of the finance ministry. In addition, central budget regulations required that municipalities allocate 20 percent of their revenue sharing for development projects approved by the government, 18 percent of their general fund for national police and 5 percent for aid to hospitals within the province, and municipalities limit the proportion of the budget spent on personnel to 45 percent” (Ibid).

Under this arrangement, local government has no discretion over the rate of their principal tax. Dillinger (1993) further indicates that, even in cases where local government has some discretion on the rate of tax they can charge, central government controls the factors that determine how much these sources yield.

Furthermore,

“local government in these countries ... bear no resemblance to autonomous political entities envisioned in public finance

literature ... central governments rather than local voters, choose the municipal political executive. Elected councils are often permitted, but function in a purely advisory role”(Ibid: 17).

Central governments for example, have the legal authority to dismiss mayors whose performance they find unsatisfactory. Central governments have the power over local personnel management decisions, and it can control the number of positions local government is allowed to have in each grade, the starting salaries as well as appeals processes for staff dismissal.

The over-controlled local sector model can be criticized on the following grounds. Firstly, it can be criticized on the fact that it places a large proportion of expenditure decisions in the hands of ministers whose constituencies are national. It is highly likely that the minister would have problems in responding to problems at the local constituency due to the fact that she or he is not very close to the problem and, as a result might not readily understand the magnitude of the problem. Secondly, in the case where central government appoints its own candidate for the post of mayor, there is a high possibility that such a post will not be held by someone who has either the interest or the expertise in local government affairs, but a political candidate that will adhere to national policies at the expense of local circumstances. Lastly, “there is evidence that the administrative demands of this tight system overloads the administrative abilities of the public sector in some developing countries” (Dillinger,1993: 20). Dillinger (1993) goes on to make the example of Kenya where he shows that, in this country, it is the duty of the Ministry of Local Government to approve or modify all budgets before the commencement of a fiscal year, but in all cases the Ministry lacks the basic information such as data on actual incomes and expenditures of any previous year on which to base approvals.

**(b) The Under-controlled Local Sector**

This scenario presents multiple levels of government, each with political autonomy and autonomy over expenditure and revenue, but without any clearly defined functional responsibilities. Dillinger (1993:20), indicates that

“Brazil is perhaps the extreme example of this pattern. *Brazilian municipios* have historically enjoyed complete political autonomy – with councils and mayors chosen through competitive local elections.... They have complete expenditure autonomy and freedom over the rates of taxes that have been assigned to them”.

However, as Dillinger (1993:21) indicates, “the impact of this arrangement has never been tested empirically”. It has the tendency to obscure local government accountability in its area of jurisdiction because there is no demarcation on who does what, so people could take it for granted that it is central government that has to provide a certain service while in actual fact it could be local government.

**(c ) The Perversely Regulated Local Sector**

This is particularly prevalent in countries “where there is some degree (*de facto* if not *de jure*) of local political autonomy, and where there is some (*de jure*) assignments of functional responsibilities, but there is a built-in vertical gap – a lack of correspondence between the revenue authority of local government and its expenditure responsibilities – that is addressed in undesirable ways” (Ibid: 21).

Dillinger (1993) indicates that there are two undesirable ways in which central government closes this vertical gap. The first way is through direct, but ad hoc expenditure by central government ministries, which is often provoked by the perceived failure by local government to respond. In such situations, central government deploys specialized technical agencies to manage utilities such as potable water, electricity, housing the poor etc. Usually these are autonomous

bodies or directly responsible to a central government ministry. In some instances, as is the case in South Asia,

“the government’s intervention tends to be permanent. Central public works ministries and development authorities take on responsibility for municipal capital works, leaving only tasks of operations and maintenance to local government” (Ibid: 21).

The disadvantage of this approach in which local government cannot be held responsible or accountable for any specific functions and the responsibility for capital investment is left with state agencies, but operations and maintenance left to municipality is that, there is a high likelihood that there will be disputes over debt liabilities and refusals to assume maintenance obligations on new assets.

The second undesirable way in which the vertical gap is closed is through intergovernmental transfers. In this situation argues Dillinger (1993:22),

“The problem is not transfers, but the terms and conditions on which transfers are provided. Intergovernmental transfers take various undesirable forms... In Kenya for example, the central government is legally obliged to make an annual payment to local government in lieu of property taxes owed on government owned property. It has failed to do so, a failure that has set off a cycle of mutual default, such that local governments no longer service their debts to the government loans authority, the government hospitals fail to pay their bills to the municipal water authorities, and the water authorities refuse to pay their income taxes to the government”.

#### **2.5.4 Central-local government relations in African cities**

From an evaluation of the types of relationships that exist between local



government and central government, one could place the central local governmental relations in most African countries under the category of over-controlled local sector. Local governments in African states get a very high proportion of their total expenditure from central governments and also, local government in these countries is seen basically as an administrative arm of central government, with central government having complete powers over all dealings of central government.

According to Mbogua (1993 cited in Swilling 1997), central governments in African cities have the tendency to control and direct local authorities to a point where it becomes virtually impossible for them to carry out major developmental projects. Mbogua shows that in Kenya for instance,

“the Local Government Act of 1965 has 186 clauses which confer powers on the Minister of Local Government to direct and approve various actions of local authorities. The minister’s approval is required for decisions ranging from the making of by-laws, planning and budgeting, to educational tours of councilors or officers outside their area of jurisdiction”.

There has often been argument that, while there may be justification for such controls, the manner in which they are exercised often involve excessive and unjustified delays arising from the central bureaucratic system.

In Tanzania also, the central government has retained a number of controls and checks over local authorities. For example, all by-laws made by urban councils have to be endorsed by the minister responsible for local government before they can come into operation. Also, local authorities in most of the urban centers in Tanzania share the authority of governance with central government ministries, parastatal institutions and previously, until 1992, the ruling party. Swilling (1997:142-143) says, “a wide range of critical functions are managed

by these agencies. The state institutions do not consult or liaise with the local authority in certain cases, and this lack of proper functional coordination generates serious institutional conflicts and exacerbates managerial dysfunction". According to Swilling (1997), from research that was undertaken on the factors that impeded the performance of local government in Tanzania, it was discovered that the performance of local government is impeded by the persistence of institutional problems pertaining to eroded legitimacy of local government, unclear definitions of local government roles and a weak resource base of local authorities. He goes further to show that, central government dominance undermines the autonomy of local government and its potential for empowerment.

In Gambia, the municipal council is under excessive control of the central government. For instance, the Minister of Local Government and Land is responsible for the appointment of the councillors. Also, ministerial approval has to be obtained for critical management tasks such as budgetary allocations, borrowings and investment, appointment and remuneration of senior officers, and the enactment of by-laws (Swilling 1997). "All this takes place despite the fact that the last time a municipal authority received a central government grant was in 1979" (N'jie, 1995 cited in Swilling, 1997:21).

Rakodi (1997:440) argues that, the "conflict and inherent competition between central and local authorities have had far-reaching implications for urban management in Africa". Local authorities lack the capacity to generate local revenue; consequently, local authorities have had to depend on transfers from central government for their development budgets. In some African cities such as Tanzania, central government has made finances for local authorities very inelastic in that, the central government takes taxes that are very easy to collect (such as income taxes, usually deducted at source from wages and salaries, duties and license fees), leaving the politically and administratively more difficult taxes to local government. Bello-Imam (1995) in Swilling (1997) indicates that in

spite of the fact that local authorities have a weak capacity to mobilize and utilize resources and also the fact that they have been allocated very weak financial bases, they have been assigned to perform functions that do not match their resource disposition.

In the periods 1978-87, urban local authorities in Tanzania undertook numerous development projects. For these projects, central government was only able to grant the local authorities less than two percent of the national development budget. Kaluba (1989 cited in Swilling 1997) puts a very clear picture of the state of affairs in Tanzania. When he comments on the garbage situation in the city he shows that, in 1986 the total daily production of garbage in Tanzania's nineteen regional capitals amounted to 3,000 tons. However, the actual amount of refuse collected daily was only 728 tons or 24,27 percent. The situation in Dar es Salaam alone is that 928 tons of garbage or 88 percent of the estimated production of solid waste was left indisposed of everyday. Kaluba (1989) argues that, considering the economic importance of urban areas, the fact that at this time, 13.8 percent of the countries population lived in urban areas, and also considering the complex problems urban authorities are expected to solve, this amount was clearly inadequate. Kaluba (1989:233) further indicates that this is,

“in spite of the official statement of May 1987 that the central government would increase grants to urban authorities so that the latter could improve services. Until now (1987), local authorities have been one hundred percent dependent on central government grants for the financing of their development projects”.

Another example is that of metropolitan Lagos in Nigeria. It is faced with the challenge of having to provide adequate housing for the city. However, there is a considerable gap between supply and demand. The urban authority simply lacks the resources to construct adequate housing. As a result of this, more and more

urban residents have sought alternative accommodation in already overcrowded slums and substandard housing, characterized by haphazard development, with houses built close together, resulting in the stimulation of the rapid spread of the influenza epidemic, among others (Abiodun in Stren and White, 1989).

In Nairobi, the Nairobi City Council (NCC) has been charged with the responsibility of collecting and disposing of solid waste. However, lack of resources, particularly vehicles, together with the general apathy of residents has led to uncollected waste piling up in several parts of the city. In 1989 the city of Nairobi was in need of 100 refuse removal vehicles in order to serve more than one million of its inhabitants, but only ten vehicles were operational (Swilling, 1997). Obudho further indicates that, in 1994, 800-1000, tons of refuse were generated per day, however, fewer than 200 tons of this were collected.

Agevi (1991 cited in Swilling, 1997:133) indicates that,

“given the poor financial base, inefficient urban management practices, and lack of innovative zest on the part of most local authorities, the quality of urban services has declined drastically and will continue to do so unless innovative urban management approaches are adopted immediately”.

Numerous writers on local government issues have shown that, having financial autonomy or having a major independent source of finance under the control of local government itself is considered to be the true meaning of local government. It is important that municipalities have a sound financial base, well-trained staff and political autonomy and legitimacy in order that their administrative procedures and service delivery mechanisms are improved.

## **2.6 Urban management**

As already mentioned earlier in the chapter, by the 1980's most local governments in African cities were generally failing and this is reflected in the

strain on services and lack of maintenance of infrastructure amongst others. Wekwete (1997) indicates this failure to be the result of, among other things, political interference from central governments and the lack of autonomy in decision making by local governments, which has meant that, local revenue collection has been neglected or abandoned at city level because the local authorities do not have powers to collect such revenue.

As a result of these problems, urban management has been seen as the most favoured approach to the problems of African Cities because, the new urban management approach insists on the strengthening of local government, it stresses the importance of achieving a new balance between central and local government administration and above these, the urban management approach aims at decentralization, through giving the local government more discretionary powers to prioritize, plan and implement its projects and also control over fiscal matters and local revenue (Post, 1997).

Another factor that led to a shift towards urban management as a focal theme in urban policy was "the overwhelming pressure on urban services generated by population growth" (Stren, 1992:22). Montgomery (1989 cited in Stren, 1992) indicated that,

“...the most important consequence of growth, in their experience, was the decline of services that they would provide ... among these experiences, sixteen referred to housing problems, thirteen problems of public health, eight education, and seven water supply. Three incidents mentioned roads as a problem, and three more referred to the overcrowding of public facilities... most of the other observations also referred to some kind of decline in the amenities of urban life”.

Stren argues that, urban management encompasses 4 important elements

which are:

- a concern to situate urban development projects in the context of city-wide and institutional considerations;
- a concern to pay more attention to sources of local finances for a more decentralized municipal government;
- a concern to look at alternative means of organizing and financing urban services such as water supply, public transport, electricity, sanitary services and waste disposal; and
- a concern to seek and promote local community and participatory sources of support for urban services and infrastructure.

### **2.6.1 The Rationale for Urban Management in the Developing World**

International agencies such as the World Bank (1991) and the USAID (Peterson, et al, 1991) argue that there are good grounds for policy-makers to urgently address questions of urban management in the developing world, and they indicate these as follows; firstly, urban centers and their interconnections with countries and regions urban systems, which provide the backbone of all economic life. It is also estimated that nearly 60% of the gross national product of developing countries is produced in urban areas although these areas contain only one tenth of the total population. Therefore failure to ensure that cities work efficiently that is, failure to maintain, improve and extend the infrastructure to support economic growth as cities grow, or failure to provide the financial and institutional basis to cope with accelerating population growth may be dire.

More specifically infrastructure deficiencies constrain the productivity of private investment in most cities in developing countries as industrialists incur heavy costs providing their own infrastructure which hampers both productivity growth and job creation. Secondly, urban management is important because city growth is inevitable, it is important for urban managers to confront the problems of providing adequate income opportunities, shelter, services and other essential infrastructure for the health and well being of expanding urban

populations. Lastly, it is because with a sound urban management policy, large and fast growing cities can perform well (World Bank, 1991; Peterson et al, 1991).

### **2.6.2 Institutional framework for urban management**

Traditionally, central governments and local governments have been associated with urban management in urban areas. Urban areas operate through elected and appointed local government representatives, who have both the political and administrative mandates to provide and manage social and physical infrastructural services. Stren (1991:36) also indicates that,

“the study of urban management in Africa has until now, been largely a top-down, or state centered activity. The services that form the core of local government include, public health, hospitals, city planning, water supply, sewage and water disposal, public cleansing, education, highway construction, street maintenance and lighting, public assistance, welfare, police forces, fire fighting, the provision of public housing and housing regulation, public transport, parks and playgrounds etc”.

**Table2: The Traditional Urban Management Model**

<b>Actors</b>	<b>Responsibility (management variable)</b>
Central Government	Political and administrative control of local governments Provision of grants and loans for all major utility provisions Development control and land administration Infrastructure development and management Preparation and approval of master plans
Local Governments	Directly elected or appointed representatives constituting a decision-making body (local government)
Municipalities	Direct provision of social and physical infrastructure
Metropolitan Governments	Maintenance of service and utilities Development controls; preparation of master and local plans
Non-Governmental Organizations	Local-level interventions Social services provision Housing – site and service schemes and upgrading Refugees and rehabilitation.

**Source: Wekwete, 1997:537**

According to Wekwete (1997) urban management is not seen as the role of local government and central government alone, but it also involves a wide range of stakeholders, which includes private sector agencies, Non-governmental Organizations (NGOs), Community Based Organizations (CBOs), and many other interest groups.



**Table 3: The emerging public-private sector model of urban management**

Actors	Responsibilities
Central Government	Political and administrative control of local governments Limited provision of grants and loans Emphasis more on coordination
Local Governments	Formally more decentralized Provision and maintenance of basic services Development control; preparation of coordination plans Limited direct provision of services
Non-governmental and private sector	Increased local level intervention Social service provision Focus on poverty; informal activities; credit Rehabilitation and refugees.

**Source: Wekwete, 1997:538**

Table 3 above depicts the emerging public-private sector model of management, with a reduced role for the central government consistent with the macroeconomic Structural Adjustments Programs prevailing in many African countries since the early 1980's.

In situations where local government has been failing to provide services and effectively manage urban areas, local government privatizes local services to these agencies. Stren and White (1989:37) argue that,

“privatization here does not imply the wholesale transfer of whole government agencies to either individuals or large firms in the private sector, but rather the gradual taking over of urban services by small-scale enterprises, as the result of the

failure of public sector agencies to provide the necessary level of performance”.

Councils, particularly in the United States and Western Europe, have attempted to provide efficient urban services at lower overall costs through contracting out to these private agencies. Among services that are typically performed by such agencies are water and electricity supply, refuse removal, public transport, public housing, land allocation, and land-use planning.

The process of privatization is on the increase in African states. In most African states the provision of water supply is in the hands of private companies and national parastatals. In Nigeria, refuse collection had been the duty of local government until the early 1980's (Stren and White 1989). Local government in Nigeria failed in refuse removal services, so much that there was a need to privatize and transfer these services to some agencies (Ibid). In the field of public transport system, there is a mix of public and private transportation. The shortfall in public transport facilities has been to permit the private sector to take up some of the work.

However, Batley (1996:723) indicates that, “the evidence of greater efficiency and effectiveness through privatization or contracting out of public service remains slim”. This statement implies that urban services such as roads, refuse collection, housing, etc are still continuing to decline. According to Urban Strategy (2000), public-private partnerships have been found to have some shortcomings and these include:

- i) In cases where there is little or no profit to be generated, the private sector is seldom interested or effective and this might lead to poor service delivery; and
- ii) It is not very easy for private firms or entities to provide cost-effective services to the poor.

## **2.7 Decentralization**

Another important factor that is a challenge to local governments as urban managers, is the issue of decentralization. For urban management to function effectively, central governments should devolve power, authority, and autonomy to local governments. Decentralization means the transfer of planning, decision-making or administrative authority from the central government to its field organizations, local administrative units, semi-autonomous and parastatal organizations or non-governmental organizations (Cheema and Rondinelli, 1983).

### **2.7.1 Types of Decentralization**

Different types of decentralization exist from one country to another depending on different aspects such as levels of autonomy, which services are to be decentralized, who should finance them etc. Cheema and Rondinelli (1983) identified four types of decentralization. These are deconcentration, delegation to semi-autonomous or parastatal agencies, devolution, and transfer of functions from public to non-governmental institutions.

Deconcentration means the redistribution of administrative responsibilities only within the central government. It relates to the redistribution of responsibility from a central government ministry to its own staff or offices located outside the national capital, without transferring the authority to make decisions.

Authority and decision-making can also be delegated to semi-autonomous or parastatal organizations. This type of decentralization involves more than administrative decentralization. It “implies the transfer or creation of broad authority to plan and implement decision concerning specific activities - or a variety of activities within specific spatial boundaries - to an organization that is technically and administratively capable of carrying them out without direct supervision by a higher administrative unit” (Cheema and Rondinelli, 1983:21). Such organizations include public corporations, regional planning and

development authorities, multipurpose, and single-purpose functional authorities.

The third form of decentralization is the transfer of function from government to non-governmental institutions. These functions may include planning and administrative functions or the transfer of public functions. This type of decentralization can take many forms. In the first instance, government may transfer to parallel organizations, such as national industrial and trade associates, professional or ecclesiastical organizations, political parties, or cooperatives the right to license, regulate or supervise their members in performing functions that were previously controlled by government. Secondly, decentralization can occur through privatization, which is a process by which government gives the private organizations the responsibility for producing goods and supply services.

The last form of decentralization is devolution in which central government aims at creating and strengthening financially or legally, sub-national units of government, "which are substantially outside the control of central government" (Rondinelli et al, 1983). Devolution is characterized by the following: firstly, local units of government are autonomous and central government should exercise very little or no control whatsoever over them. Secondly, local authorities have distinct and legally recognized geographic boundaries within which they can exercise their powers. Thirdly, local governments have powers to secure funding and resources in order to carry out their functions. Lastly, devolution aims at creating local governments as institutions that can provide services and satisfy basic needs of the people.

### **2.7.2 The Advantages and Disadvantages of Decentralization**

The distinctive feature of modern state administration is the need for close contact between the individual citizen and officialdom. It is very important for members of the public to have direct access to state agencies and for state

agencies to be able to reach individual agencies (Smith, 1985).

Decentralization has been seen as a way of mobilizing support for national development policies by making them better known at the local level where local governments or administrative authorities are seen as effective channels that can facilitate communication between national government and local communities, thereby promoting public participation. Rondinelli (1983:15) puts forward a number of arguments for decentralization inter alia:

- Decentralization can overcome the limitation of centrally controlled national planning, in that authority for development planning and management is given to the officials who work closer to the people.
- It can reduce the high levels of red-tape which is the characteristic feature of central planning and management in developing countries.
- It might allow better political and administrative penetration of national government policies into areas remote from the national capital.
- It might allow greater representation for various political, religious, ethnic, and tribal groups in development decisions
- It could lead to greater administrative capacities to take over functions that are not usually performed well by central government

It should, however, be noted that the implementation of different decentralization policies in different countries has not yielded all of the above-mentioned benefits. In fact, very few developing countries have been successful in carrying out their decentralization programs. This has been particularly due to the fact that while central government has been willing to decentralize some of the duties and functions to local government, it has not been willing to decentralize other powers that would facilitate smooth operating of local government. Local governments have perpetually lacked the autonomy to make decisions, have their own revenue base or have other powers.

Allen (1990:10-12 cited in Reddy,1999:19) has identified several disadvantages of decentralization and these include inter alia:

- Cost - Local authorities compete with other public institutions for scarce financial and human resources. Central ministries are often apprehensive that local bodies will be extravagant or wasteful with funds, destabilizing the national economy.
- Inefficiency - Local authorities cannot command sufficient resources to provide adequate services. Their revenues are too small and too precarious to make them credit worthy and qualified personnel are attracted to more lucrative and secure positions in central government, parastatal institutions, and the private sector.
- Inequalities - Decentralization can increase social and regional inequalities as the affluent groups and areas are in better position to utilize their devolved powers.
- Weakness - Small local authorities tend to be reluctant to enforce their legal powers against recalcitrant local strongmen or supporters of eminent national politicians. In addition, they can often lack adequate machinery to effectively implement their regulations.
- Corruption - Local authorities are often in the news for alleged corruption and graft since they are more conspicuous and less protected by powerful national politicians than 'faceless' central ministries and public corporations.

From the analysis of the various forms of decentralization, one could argue that the most suitable form of decentralization for local authorities would be devolution. This is because it gives local authorities powers to make their own decisions and carry out their functions and duties with minimal interference from the center. For the smooth operation of urban management, power and authority for municipality councils to generate their own resources and make their own

decisions should be devolved to the local authorities. However, as it is today, central governments have denied local authorities the necessary powers and authority to make their own decisions and generate their own resources. Even though decentralization occurred to a certain level in many African states, it happened without giving the local authorities the necessary powers and authority to carry out their tasks. By and large, decentralization efforts have been crippled by central governments denying local authorities the resources to exist as independent institutions. In most cases, important powers that affected the city were still controlled by the central government. For instance in a country such as Cote d'Ivoire "...the central government must approve virtually all actions of the communes, and has the right under conditions clearly prescribed in the law, to revoke, annul, substitute, or inspect laws and actions of the communes" (Ibid: 8). Local governments are still dependent on central government for financing, budgeting, and fiscal administration. Local government have been denied the powers to generate their own resource base. As a result, it has become increasingly difficult for local government to provide the necessary basic infrastructure in urban areas (Swilling, 1997).

## **2.8 Conclusion**

From this chapter it becomes very clear that local government in African countries has been experiencing a lot of problems, which have basically been the result of stagnating economies of these countries, particularly during the 1980s, high levels of centralization in African governments and also, the weak relationships that exist between local government and central government.

It is quite evident that, as Devas (1999) indicates, the most important constraint to tackling urban problems and urban service deficiencies in most developing countries is the lack of financial resources. It is, however, also evident that the financial difficulties of most urban authorities in developing countries are brought about by central government itself. Central governments have been unwilling to

give enough financial resources to local authorities for the duties they have to discharge. Devas (Ibid: 13) goes further to say that, "central governments are justified in seeking to ensure that financial resources are properly used in all levels of government". He further acknowledges "often, controls are seen simply as obstacles to get around, and at worst, opportunities for income earning by those responsible for exercising the controls"(Ibid).

Urban management has been seen as a very useful approach to the problems of the local governments. It is obvious that for a successful urban management, power and authority should be decentralized from central governments to the local government levels, and also the relationships between local governments and central governments should be conducive for efficient urban management.

Moyo (1989) indicates that a successful relationship between central government and local government depends on the following pre-conditions:

- the need to urge for a strong system of local councils in a democratic environment;
- local councils should play a vital role as full partners in national development;
- a fair division of functions between central and local bodies;
- a fair distribution of manpower resources between central government and local bodies and a consideration of a non-restrictive remuneration system;
- formal and strong checks and balances between central governments and local councils;
- full and adequate consultation and regular flow of accurate information at and between levels;
- full participation of the citizens of the urban areas and therefore extension of democracy to all levels of government;
- defined legal relations and the ability for local pressure on central government to change legislation.



However, not all governments in Africa have been able to adopt these preconditions and also many governments in Africa do have a wish to strengthen local councils but have not systematically devolved power, responsibility, and functions to the local councils. In situations where they have devolved these, critical factors such as financial and manpower resources have not been fairly distributed.

## **CHAPTER 3: THE HISTORY OF LOCAL GOVERNMENT IN LESOTHO**

### **3.0 Introduction**

After Lesotho obtained its independence, it was expected that the new government would restructure the inherited colonial local system to incorporate a greater level of public participation at the local level, and that a more decentralized system of local government would emerge.

However, contrary to expectations, and as has been the case with many other Anglophone countries in Africa, Lesotho actually experienced a general tendency towards increased central control of local government when the ruling party Basutoland National Party (BNP) became even more centralized in its approach. In the process local authorities were robbed of the necessary autonomy to carry out their duties and functions. What emerged under BNP in the 1970's can best be described as local administration as opposed to local governance.

There is adequate evidence to suggest that the government of Lesotho has made numerous attempts at decentralization. However the government has lacked explicit policy design and planning of the decentralization program. This is evidenced by the lack of an explicit legal framework within which the system should operate; the legislation that would reflect the nature of decentralization; the form it would take; the institutions and structures that would be created; and how these would relate to each other and to Central Government. Furthermore, there has been a general lack of legal provision for the control of finances for the local institutions. Decentralization in the vital areas of financial management and personnel management has been lagging behind. Central government has been seen to deprive local authorities of the necessary powers or authority to manage their manpower and their resources.

With the coming of elections in 1993, Lesotho got its first democratic Government. The manifesto of the new government Basutoland Congress Party (BCP) included the establishment of democratic local government structures in the country. Since the elections, the government has been striving to put these local government structures in place. However, due to a number of unforeseen problems, these are not yet in place. However, the Government is hoping to go for local government elections next year (2001).

The aim of this chapter is to outline the history of local government in Lesotho. This shall be traced as far back as the pre-colonial era when there were no local government structures in Lesotho. The chapter will proceed to discuss local government in Lesotho during the colonial era, when local government structures first came into being in the country. It will go further to elaborate on local government during the post independence period and also after 1993 when Lesotho had its first democratic government.

### **3.1 The Evolution of Local Government in Lesotho**

#### **3.1.1 Pre- colonial era**



During the pre-colonial era there were no local authority structures in Lesotho. All powers were vested in chiefs who were guided and assisted by their advisors. The major duties of these chiefs were basically to administer the tribal territory for the welfare and good governance of society (University of Birmingham, 1995).

#### **3.1.2 Colonial Era**

Modern local government came into being in 1948 when the Basutoland Council (BC), a national consultative body, established District Councils, which were statutory bodies that were established to perform the following functions:

- to act as avenue for popular participation;

- to serve as electoral colleges for representation in the National Council in matters concerning local affairs and also as local authorities;
- they were vested with extensive powers to make by-laws, manage local finances and to carry out various responsibilities pertaining to agriculture, livestock, maintenance of bridle path and selected roads, fisheries, public order, health and regulation of trade (Wallis, 1984, cited in Mapetla and Rembe 1989).

The Local Government Proclamation Act of 1959 further elevated the status of the District Councils to being fully-fledged local authorities and their powers were also elevated to include authority to have and raise their own financial sources, and also the power to make by-laws. According to Sekatle (1985:24,

“In order to perform these functions District Councils were empowered to collect revenue. They appropriated 25 percent of the basic tax. They received grants from central government through the Local Government Loan Fund. Funds granted under this scheme were specifically meant for development projects – such as village water supplies, mechanized farming, tourism and the establishment of health centers and markets”.

The total number of members of the District Council was between 15 and 28, depending on the size of the district. The principal and ward chiefs within the district were ex-officio members of these councils; most members of the council were elected (Wallis, 1999).

Sekatle (1985) indicates that local authorities in Lesotho, as in many other British colonies, had some problems and these were in most cases the result of the colonial government's general lack of interest in and concern about local democracy. All that the colonizers were concerned with was, according to Sekatle (1985), the maintenance of law and order as well as the collection of

tax. Generally, when District Councils were established in Lesotho, there was no clear policy guidelines, and most importantly, no commitment from the center to ensure successful implementation of local government.

Secondly, District Councils had a problem of lack of funds. As Sekatle, (1985:26) puts it:

“Revenue for District Councils was insufficient for undertaking their various tasks, including staff salaries and councillors’ allowances. Not only were funds insufficient but there was also an element of control, which at times acted as a restraint. District Councils were subject to controls by the center. They were required to submit their income and expenditure drafts to the Basutoland Executive Council for approval”

Another factor that hampered District Councils’ performance according to Sekatle (1985) was party politics. District Councils acted as electoral colleges for the Basutoland National Council. There were no elections at the national level. As a result political party battles were fought on District Council level. This practice hampered District Councils in the discharge of their duties in the sense that preoccupation with the aim to buy people’s votes sometimes discouraged District Councillors from undertaking certain development activities.

### **3.1.3 Post Independence**

Two years after Lesotho attained her independence in 1968, a report on the new structure and administration of the Lesotho Government published in the Coutts Report argued for the abolition of the District Councils (Ibid). Wallis (1999:93) further indicates that, “the Coutts Report of 1966 argued that they were an unnecessary expense, made administration more complicated than it ought to be, and that they should be abolished”. The Councils were also accused of depriving central government of local sources of revenue and also that they lacked sufficient competence in financial management.

There was, however, a strong political motive for the abolition of the District Councils; "these councils were largely dominated by the opposition party, the Basotuland Congress Party (BCP) and as such, they were seen as an alternative source of political loyalty and, therefore, a threat to the Basotuland National Party (BNP)" (Mapetla and Rembe, 1989:23). The BNP feared losing influence in the localities and in order to curb any challenges of central government, they resorted to the abolition of local authorities or the diminution of their powers and autonomy (Sekatle, 1985). The BNP saw the abolition of the District Councils as a strategy to undermine the BCP before the next elections (Wallis, 1999).

The abolition of the District Councils in 1968 brought an end to participatory institutions at the local level. This resulted in increased centralized administrative and planning machinery. Huisman (1994 cited in Mapetla and Rembe, 1989) indicates that,

"some limited degree of deconcentration however, remained where some administrative powers were delegated to officers representing their line ministries in the field, but still with direct technical responsibilities to the headquarters at the center".

In 1969 the Local Administrative Act was introduced and this Act provided the framework for further regulation giving the Minister of Interior (now divided into two ministries, Home Affairs and Local Government) a basis to make provision for the execution of functions formerly performed by the District Councils.

After the abolition of the colonial local authority structures, "the main emphasis was placed on district administration, where the key figures were civil servants who represented government in the districts and played a role in coordinating various departments (education, agriculture, health etc)" (Wallis, 1999:4).

During the 1970 elections it became quite evident that the BCP would win. However, the BNP in alliance with the paramilitary, intervened, and emerged as the government, but by no means a democratic one (Khaketla, 1971 cited in Wallis, 1999). Immediately after the elections the BNP government reorganized the administrative structures, and introduced the office of the District Administrator, which served as an administrative and political agent of the central government. Between 1970 and 1974 the office of the District Administrator was placed under the Prime Minister's control and was later transferred to the Ministry of Interior. The principal functions and duties of the District Administrator included the following:

- co-ordination of inter-ministerial cooperation among governments and other agencies in their duty of implementing government policy in the districts;
- promotion of agricultural development;
- maintenance of law and order; and
- maintenance of other administrative matters relating to management of affairs at district level.

However, the government soon realized that planning and the promotion of development at district level were not undertaken effectively due to the District Administrators' lack of experience in administrative and planning issues. The Administrators spent most of their time dealing with issues such as the resolution of boundary disputes between chiefs. Furthermore, as Sekatle (1985:53) indicates, "...they were often not necessarily promoting government policy as regards development but were engaged in political rhetoric of promoting the image of the ruling party (BNP)".

Due to the failure of the District Administrator's post, the post of District Development Secretary was created in 1970. The main functions of the District Development Secretary were to coordinate development activities and to prepare district development plans as well as programs and projects. From the

very onset, this post was seen as a tool by which central government could maintain central and political control in the districts, and as a result, it was placed directly under the Prime Minister's Office (Ibid). The duty of preparing district development plans and projects was to be carried out in collaboration with the Central Planning and Development Office (CPDO). Sekatle (1995:58) indicates that the CPDO came up with a list of university graduates to fill the post of District Development Secretary. However, the list was ignored by Central Government, and instead, politicians were appointed in their place. It therefore followed that the District Development Secretaries lacked the necessary skills to carry out developmental work or to prepare development plans.

Mapetla and Rembe (1989:23) argue that,

“by 1980 the adverse effects of central control had begun to become apparent, and the Lesotho Government began to move in the direction of a more decentralized system of administration and planning in local areas. Thus, in its Third Five Year Development Plan, 1980-85, the government committed itself to a policy of decentralization in order to encourage effective popular participation in local affairs and in government development programs”.

During the same year, as an attempt by government to live up to its plans, the office of District Coordinator was created in order to replace District Administration. Surprisingly, as was the case with the District Administrators, the office of the District Coordinator was placed under the Prime Ministers office, under a permanent secretary for District Coordination (Mapetla and Rembe 1989). According to Wallis (1999:94), the District Coordinators were charged with the following responsibilities:

- ensure that government policies are implemented and fully explained to the people;



- develop and maintain cooperation among officials working in ministries and departments;
- keep government well informed of the wishes and efforts of local people;
- liaise with ministries and departments on planning;
- pay special attention to agricultural projects;
- deal with border problems (all districts border South Africa);and
- maintain adequate standards of financial administration in the districts.

Wallis (1999:94) goes further to show that the system of District Coordinators and the whole list of duties and functions that they were supposed to perform “was certainly not geared to public participation”. Also, the District Coordinators lacked executive powers like their predecessors, even though they had been given a wider range of responsibilities to carry out. Between 1980 and 1984, the District Coordinators experienced a number of problems, which were mostly brought about by the lack of authority on their part (Mapetla and Rembe 1989). The District Coordinators had no control or involvement in personnel management, which made it particularly difficult for them to coordinate and account for their activities in the districts.

In an attempt to enhance the powers and authority of the District Coordinators, the Vesting Powers Act of 1984 was enacted. Mapetla and Rembe (1989:26) argue, “the Act clearly states the main functions of the DC’s as ‘to co-ordinate with heads of departments in the districts in the implementation of government policy’. The DC’s were further entrusted with certain powers relating to planning, financial management and personnel management. But the Act remained silent on a number of administrative and substantive issues”. In principle, this Act did not provide the DC’s with the powers to carry out development duties and make their decisions, but rather, provided the DC’s with the power to coordinate with

heads of departments at central level on issues relating to the implementation of planning policies, as well as personnel and financial management.

It can be realized that while government was keen on decentralization, it was taking place without any clear policy or form that the decentralization should take. For instance, even though government had intentions of giving power to the districts, nothing was being done to see to it that this actually happened. Sekatle (1995:39) indicates, "the government is paying lip-service to decentralization. One factor that points to this is the hesitation to provide District Coordinators with formal terms of reference. Even though the terms of reference were drafted in 1980 they were not formalized until 1984". The lack of terms of reference affected the performance of the District Coordinators because it became difficult for them to perform their coordination functions effectively as their jurisdictional limits were not clearly defined.

According to Leduka (1995:8), for Maseru reserve (which lies within the capital city of Lesotho, Maseru, map 1) "the designation had been Senior District Commissioner (SDC –Urban) until 1970 when it was re-designated Senior District Administrator (SDA-Urban)". In 1971, the Senior District Administrator was renamed Town Clerk. It was also at this point that the Maseru Township Office was created, and was placed under the Ministry of Interior, Chieftainship Affairs, and Rural Development (MICARD).

The main functions of the Maseru Township Office as stated by Leduka (1995) were, the construction and maintenance of urban non-gazetted roads (i.e. roads not forming part of the national road system), garbage collection, sanitation (excluding water-borne sewerage disposal), slaughter houses, processing of applications for building permission, parks and gardens, burial grounds and markets. In 1979, the Maseru Township Office was given more responsibility when the offices of the Town Engineer and Public Health were created.

In 1983 the Government of Lesotho once more experimented with decentralization when it introduced the Urban Government Act (UGA). For the first time in the history of local government in Lesotho, there was the establishment of the necessary legal framework for the functioning and creation of local administrative structures. According to (Wallis, 1999:94),

“This piece of legislation was prepared with the assistance of the Government of the United Kingdom and the World Bank. The latter played a most influential role, linking the funding of urban development programs to the establishment of a local government”.

The principal aim of the UGA was “to make provision for the establishment and regulation of urban local authorities and to provide for matters incidental thereto or connected therewith” (UGA,1983). For a country that had been involved with local government for so long, it is really surprising that this was the first time it formed a legal framework within which local government could function. Legislation had been lacking in many cases, becoming necessary only when a legal obstacle presented itself (Mapetla and Rembe, 1989). For example, the District Coordinators Vesting Powers Act of 1984 only came in as the result of the confusion that occurred regarding functions between different tiers of government (Ibid).

With the introduction of this Act, the government was hoping to introduce decentralization in the form of devolution as opposed to deconcentration as had been the case since independence. However, one observation that Mapetla and Rembe (1993:23) make is that, “... the Act is designed in such a way as to ensure central government's control”. The Act places very substantial powers in the hands of the minister. Wallis (1999), indicates that

“it could not by any means be interpreted as a piece of legislation by which autonomy would be given to local authorities”. Wallis goes further to argue that, “even though the

Act was so conservative in that sense, the minister serving the BNP did not use these powers. No local authority came into being until the military took over. This paralysis on the part of the BNP can only be seen as an indication of the centralizing tendencies of the ruling party at the time”.

The ruling BNP party still saw local authorities as a threat to them and a source of political support for the opposition party, BCP, particularly in urban areas.

In 1986, the BNP government was overthrown by the military regime and for the first time in the history of Lesotho the military became government. Southall (1995, cited in Wallis 1999) argues that the coming into power of the military regime had two implications from the local government point of view. Firstly, it meant,

“there was a partial militarization of district administration through the appointment of officers to key positions so that civilian and military administration operated in parallel. Secondly, during this time, there was pressure from international agencies such as the World Bank to implement the UGA 1983”.

Six years later in 1989 the MCC finally evolved out of the former Maseru Township Office. Wallis (1999:96), indicates that

“the City Council (as it subsequently became known) went on to experience a troubled history. Many of the difficulties can be attributed to the circumstances under which it came into existence. The political climate of the 1980’s was that both the BNP government and its successor the military enjoyed little public support. The creation of this Council during the military rule was seen as a further example of domination by unpopular rulers...”.

As a result of this history, the MCC had a very problematic beginning:

- The 1989 and subsequent elections produced polls averaging less than ten percent.
- The quality of service delivery declined, roads were poorly maintained and there was a deterioration of the physical environment.
- Property rates, which is supposed to be the largest source of income for the Council were poorly collected.
- The public image of the Council deteriorated, rather than being seen as a provider of services, it developed a reputation for ineffectiveness and waste.

These shall further be elaborated upon in the following chapters.

#### **3.1.4 Post 1993**

Lesotho went for elections and had its first democratic government in 1993.

Wallis (1999:97) indicates that,

“the new government was keen to move quickly on several fronts, one of which was the re-establishment of local government. The motives were, at least in part, directly political. Memories of how the BNP had used the abolition of District Councils to destroy one of BCP’s main power bases were very strong...historic sentiments thus came to be combined with other arguments to create a political commitment to devolution that had not been present since independence”.

The Government is aware that through the creation of local government structures in the country, it will be consolidating its power base in the country.

In a speech delivered by the Minister of Local Government reported in Wallis (1999:98) he stated,

“The government’s commitment to the principles of local government and to the genuine devolution of power to the people at the grassroots is well known. The policy, which is essentially to cultivate a democratic culture and thereby strengthen the democracy process and good governance in our country, is articulated in our manifesto. I am convinced that the electorate voted the BCP into power unopposed (sic) with the full expectation that through decentralization the people of this country shall for the first time determine how they shall be governed”.

The newly elected government of Lesotho wanted to reverse local administration that had emerged under the BNP government in the 1970's, and in its place introduced democratic local government structures. The decision to reinstate local government structures in Lesotho was soon followed by the creation of the Local Government Act of 1996. This Act gives the Minister responsible for local government powers to declare areas to be served by a variety of councils and these are community councils, rural councils, urban councils and municipal councils (Wallis, 1999). Wallis goes further to show that, community councils and rural councils are to serve rural areas within districts while the urban councils would serve smaller urban areas and municipality councils the larger urban areas. It is also indicated that, in terms of this Act, the MCC falls within the category of the municipal council.

The government is hoping to create approximately 200 local government structures in Lesotho. Wallis (1999:100-101) states that this is “a very high proportion for a poor country with a population of little more than a million. Comparison is invited with neighboring South Africa, which has about twenty times Lesotho’s population, is substantially richer, but is planning to reduce its number of local authorities to about five hundred...”. Furthermore, this is given

the history of the MCC in relation to financial resources (the MCC does not receive adequate financial resources from the central government in order to execute all its duties and functions. Also, the MCC does not have the capacity to effectively collect property rates, which is supposed to be the Council's major source of income and thirdly, the MCC is given very limited taxing powers. One wonders as to how government is hoping to manage so many local authorities, and one also wonders why has government decided to have so many authorities for such a small country with a low gross national product (GNP). Government should take lessons from the MCC's experiences and maybe rather than establishing new local government structures, try and strengthen the MCC first.

Even though the composition of these authorities is going to be based on the democratic principle of elections, politics, as was the case with previous governments, is obviously still going to play a major role. There are some positions that are reserved for gazetted chiefs (other than principal chiefs) (Wallis, 1999).

Section 4 of the Local Government Act 1996 (LGA,1996), states the composition of the proposed councils as follows:

- (a) A Community Council shall consist of not less than 9 elected members but not exceeding 15 elected members and not exceeding 2 gazetted chiefs (other than principal chiefs) who shall be elected;
- (b) An Urban Council shall consist of not less than 9 elected members but not exceeding 13 elected members and not exceeding 2 gazetted chiefs (other than principal chiefs) who shall be elected;
- (c) A municipality Council shall consist of not less 11 elected members but not exceeding 15 elected members and not exceeding 3 gazetted chiefs (other than principal chiefs) who shall also be elected;
- (d) A Rural Council shall consist of not less than 37 members but not exceeding 45 members representing each of the Community Councils, within its jurisdiction as follows:

- (i) the chairman of a Community Council;
- (ii) a member of a Community Council elected by the Councilors;
- (iii) three gazetted chiefs (other than principal chiefs) who are members of a Community Council and elected from amongst the chiefs who are members of a Community Council (LGA, 1996).

The duties and functions of the Local Authorities are stipulated in Schedules 1 and 2 of the Act. Functions and duties under Schedule 1 apply to the Municipal Councils, the Urban Councils and the Rural Councils, while the duties and functions under Schedule 2 are for the Community Councils (LGA, 1996).

What is evident about the proposed local government authorities under the Local Government Act of 1996 is that they have been given a wider range of services as compared to the local government structures that were in place before the 1993 elections. These include the provision of more important duties and functions such as physical planning and land/site allocation, which in the past were solely the function of central government.

However, the Act does not stipulate how the different local authorities as well as the Authorities and central government are going to share the functions. Wallis (1999:105) indicates that "a further complication is that the legislation blurs how the allocation of functions will be shared, if at all, with other levels of government. An example of this is function 15, which is simply referred to as 'education', leaving the unanswered question of what role will remain for the Ministry of Education". Wallis goes further to indicate that these are some of the matters that are still pending and will need to be addressed.

Under the circumstances, one would think that Central Government would have learnt from the experiences of the MCC, that ambiguity in functions tends to cause friction between different role players, and as such government would have tried to be as explicit as possible in allocating functions in order to avoid



friction.

While it had been the desire of the Government to put the local government structures in place as soon as possible, things did not move as fast as government would have liked. Today, seven years after the elections, the structures are not yet in place. Wallis (1999:99) argues that two factors created difficulties for the establishment of local authorities in Lesotho. The first one is,

“the need to turn around a bureaucracy that was seen as illegitimate because of its association with the dictatorial government and policies of the past. This meant, for example, that new blood was introduced while experienced public servants took retirement packages and/or left the country. The new officials needed time to establish themselves and come to grips with their responsibilities. There was thus a serious capacity constraint”.

The second problem is “the political road was not a smooth one for the new rulers, even though the electorate had given them an overwhelming majority in 1993”. Firstly, the military regime in conjunction with the BNP and the Monarchy attempted to overthrow the government that had been elected a year earlier. However, this attempt failed due to the fact that Lesotho’s neighbouring countries Botswana, South Africa and Zimbabwe intervened. Secondly, in 1997 there was a split in the ruling BCP and hence the formation of the Lesotho Congress for Democracy (LCD).

### **3.2 Conclusion**

In Lesotho, as is the case in most other African states, central control has always characterized public administration. During the colonial era, the colonial regimes eroded the power of the traditional authorities and instituted a deconcentrated form of administration in which central government was represented by a chief officer like the District Commissioner at the local level.

The chief functions of such an officer were to maintain law and order and to oversee the collection of tax.

After Lesotho had attained its independence, it was expected that the new government would continue to support local democracy and give the existing local institutions or authorities more power. However, the direct opposite has been experienced where after independence there has been a move towards centralization in Lesotho.

Lesotho, like most other African states, abolished the autonomous local government structures that were put in place during the colonial era. The colonial master's District Councils at least, had some executive powers such as to raise their own financial sources and also the powers to make by-laws unlike most of the other local government structures that were put in place after 1966. By so doing, Lesotho moved from a devolved system to deconcentration and in the process it denied the local people their right to participate in the decision-making and planning of the areas. The new local government structures were mainly puppets of the ruling parties over which they exercised centralized control, and this they attained by creating mixed authorities consisting of central government appointees and locally elected representatives.

It is quite evident that party politics have also played a very prominent role in the evolution of local government in Lesotho since independence. Local government has been subject to political manipulations throughout its existence in Lesotho. Like many other African states, Lesotho has experienced numerous political instabilities and hence changes in the national government from one political party to another. And as new governments take over one after the other, they have set up local authorities consistent with their ideology, thus dismantling the one already in place. This has resulted in a situation whereby local authorities have had lesser and lesser chances of focusing on issues of greater importance and instead focusing on what the politicians want, and most of the time it was

what would make them more popular to the local population. Generally, the government of Lesotho has had the intentions of promoting a “bottom up” type of planning and development. However, this has always been offset by the perceived need to maintain central and political control.

It is also very evident that decentralization in Lesotho has taken place without any clear government policy on the objectives of decentralization and the form that it should take. Central government did not spell out the decentralization laws, rules and regulations as well as the functions and responsibilities of organizational units to which power is being decentralized. It is apparent that government did not clearly stipulate the types of relationships that had to exist between central government and local government, relationships between various officers and departments at the local level. The government of Lesotho had been aware of the need to create decentralized structures in the country. However, there has never been any political commitment to effective implementation of the policy.

One could also argue that local government structures in Lesotho could not be successful due to the fact that they lacked the necessary authority and powers to raise funds, and also central government was rather reluctant to give local governments funds in the form of grants, therefore it was impossible for local units to initiate development projects in a situation where they lacked finances.

After the 1993 elections the new LCD party seemed quite keen to introduce local government structures in Lesotho. But for such a small country like Lesotho with minimal resources, and approximately 200 local authorities, one keeps wondering whether this exercise will be successful. Government should have learnt from the experiences of the MCC before it could try and introduce new structures in the country. It should also have at least tried to resolve some of the problems of the MCC before it could even consider creating the new local government structures.

## **CHAPTER 4: MASERU CITY COUNCIL – A BACKGROUND STUDY**

### **4.0 Introduction**

As has been observed from the previous chapter, there have been numerous attempts at decentralization in Lesotho. However, more often than not, it has taken the form of deconcentration or the transfer of authority to departmental field units in the districts or what has been the extension of the central bureaucracy to sub-national levels.

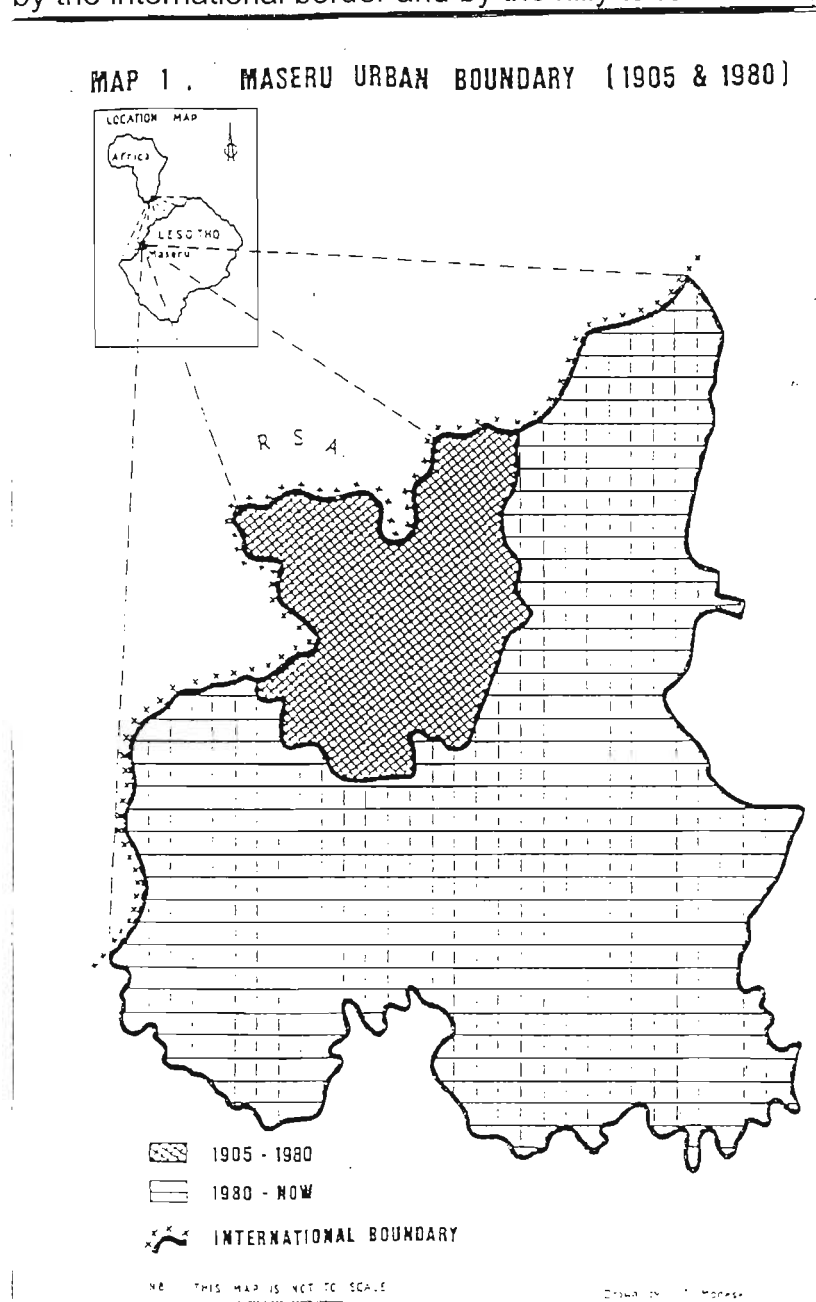
In 1989, for the first time in the history of Lesotho, the country experienced decentralization in the form of devolution. One could argue that, at this time, government was trying to resuscitate local government structures similar to the ones that existed before independence. The Maseru City Council was established in April 1989 “and it is still the only semblance of a system of local government in Lesotho to date” (Leduka, 1995:14). International agencies such as the World Bank have put pressure on the Government of Lesotho to put in place local government structures that would undertake various urban development projects in Lesotho.

### **4.1 Maseru: A Brief Profile**

Maseru started as a police camp in 1868. Administrative boundaries for the town “Maseru reserve” were established in 1905, and these boundaries remained in force until 1980 when the Land Act of 1979 (Declaration of Urban Areas) came into force. The old reserve boundaries were extended to cover the area now known as the Maseru Urban Area (Leduka, 1995)

Maseru Urban Area covers approximately a total of 133 square kilometers, and this is after 1980, when it was extended to some five or six times its area originally established as “Government Reserve” in 1905. The extended area encompasses a number of villages where land was customarily under the administration of Chiefs and Headmen. Maseru therefore, has two distinct

areas, “the Old Urban Core” and the New Sub-Urban Areas” (Map1). According to Romaya and Brown (1999:124), “ the city’s potential to expand is constrained by the international border and by the hilly terrain”.



Source: Leduka, 1995:6

Jurisdiction over land and development rested with the British Colonial Administrator within the old reserve. In 1928 the Proclamation of Building Control Act (PBC Act 1928) was enacted and its principal aim was to control the building and development within the urban reserve boundary, which is why it is only within the old reserve that some form of thoughtful planning can be discerned. Outside the boundaries, such jurisdiction rested with the traditional authorities, the chiefs and as such, these areas exhibit very limited thoughtful planning. Today, urban Maseru consists of developments that show little or nothing of the principles of planned urban environment (Leduka 1995).

In 1966 when Lesotho attained her independence, Maseru did not have any modern infrastructure facilities. For example, there was only one hotel, no paved roads beyond the town center, no international air service, and virtually no industrial development. However, since independence many things have changed in Maseru. Many roads including some suburban roads are now tarred (although some tarred roads are in a poor state), and the original main street of Maseru has been redeveloped and now has an increasing number of high-rise buildings, with resulting congestion (Ambrose, 1993). Since independence a number of government offices have been created, which were highly centralized in Maseru. According to Romaya and Brown (1999:124) “the city benefited indirectly from apartheid in South Africa, providing facilities such as multi-racial convention centers and casinos”.

As already mentioned in the previous chapter, the situation after independence regarding the administration of urban Maseru was such that, the post of Senior District Commissioner was created, but this was changed to Senior District Administrator in 1970. In 1971, Senior District Administrator was renamed Town Clerk, and immediately following the renaming, the Maseru Township office was created under the Ministry of Interior, Chieftainship Affairs, and Rural Development. The Maseru Township Office remained a central government department until 1989 when it evolved into MCC.

According to the 1966 census data, the population of Maseru was 28, 000, in 1976 it was 55, 000 while the 1986 population census results indicated the population to be 110,000. At an average growth rate of 7%, the population of urban Maseru has been doubling every 10 years. In fact nearly 60 % of the country's population is concentrated here as Maseru contains more than three-fifths of the local employment. Many migrants into the city are women, as often, men between the ages of 25 and 45 join the exodus of migrant workers to South Africa. About 100,000 migrant men are thought to work in the mines of South Africa, although the number of expatriate workers from Lesotho is declining. Unemployment and underemployment amongst the resident population are very high. Only 38% of the national workforce is fully employed and the remainder does not earn a living wage. The result of this lack of access to jobs is a huge proliferation of the informal sector. It is estimated that about 28% of the households in Maseru are below poverty line. As a result of these problems, Maseru experiences the worst urban problems in terms of infrastructure and public utility services which have not kept pace with the rate of the city's growth.

#### **4.2 The Inception of the MCC**

Since the early 1980's the government of Lesotho has shown a willingness to introduce a system of local government in the urban areas of the country. The National University of Lesotho, co-sponsored by the Lesotho Government and the World Bank, was commissioned to carry out a study that would lead to the establishment of urban local governments, starting with the Maseru town and gradually establishing similar institutions in the rest of the towns in the country (Leduka, 1995).

#### **4.3 The Urban Government Act of 1983 (UGA1983)**

In 1983, the government passed the Urban Government Act (UGA1983). The purpose of this act was to give the minister power to create local authorities in

areas designated as urban. According to Wallis (1999), the main aim of the Act was to facilitate the establishment of an urban council for Maseru.

The UGA1983 entrusted substantial powers to the Minister of Interior (now Minister of Local Government) and among these powers are:

- the minister has significant powers with respect to the composition of the council – the minister has the power to determine which principal chiefs should be ex-officio members of council;
- to prescribe the composition of and the number of councillors;
- to divide municipalities into wards and vary the boundaries of such wards;
- to determine the method by which the councillors will choose one of their number to be chairperson of the council; and
- to prescribe the number of councillors to be elected in respect of each ward (Wallis 1999; Urban Government Act 1983).

It was only in 1989, six years after the enactment of the UGA1983, under the military regime that had seized power from the BNP, that the MCC was established. The major reasons for putting the local authority in place after such a long time have never been clear (Leduka 1994). Mapetla and Rembe (1989) indicate the reasons associated with the delay in the implementation of the Act as follows:

- (i) It had been difficult for government to secure an experienced person to fill the post of Chief Local Government Officer, and in the meantime efforts were being made to try and recruit such a person from outside Lesotho;
- (ii) There was some confusion with respect to the relationship between the District Coordinator as the head of the district and Town Council. The District Coordinator's position as chairman of the council was viewed as a form of possible bureaucratic



interference, which might hamper the efficient operations of the council;

- (iii) The government could not decide what to do with the former Maseru Town Office. Some advocated their absorption into the urban government while others felt that those who are 45 years of age and above be retired.

A number of scholars have argued that these have just been excuses by the BNP government not to put local government structures in place. There is reason to believe that the MCC did not come into being until 1989 under the military rule because of the centralizing tendencies of the then ruling BNP party. Also, as was the case in the past, “the risks associated with the creation of new centers of power in the form of local authorities were seen as too great, a perception reinforced by the clear deepening of the opposition to the BNP, especially in urban areas” (Wallis, 1999:95).

Leduka (1995:9) goes further to indicate that, “...there is every reason to believe that the World Bank, as the major sponsor of various urban development projects in Lesotho, did exert pressure after the government had failed to honour numerous deadlines for establishing the authority”. The military regime, in an attempt to advance development and carry out various urban sector developments in Maseru, the capital city of Lesotho, solicited funding from the International Monetary Fund (IMF) for such projects. The IMF in turn made certain demands on the government of Lesotho before it could grant the required loan. The IMF indicated that it could only grant such developments when there is a democratic local government structure in place to take charge of such developments.

The MCC finally evolved out of the former Maseru Township Office's Project Coordinating Unit, a body that was responsible for Coordinating government projects. Leduka (1995) indicates that, the core of the executive body of the

council was made up of the staff of the former Maseru Township Office and were initially 50 in number.

It could be concluded that from the onset that Central Government did not demonstrate any serious commitment to the whole concept of autonomous democratic local structures. The establishment of the MCC as a supposedly democratic and autonomous local body in Maseru has been nothing but a desperate attempt by the government to secure World Bank funding for which a condition was “visible progress on the establishment of urban local authorities” (Wallis, 1999).

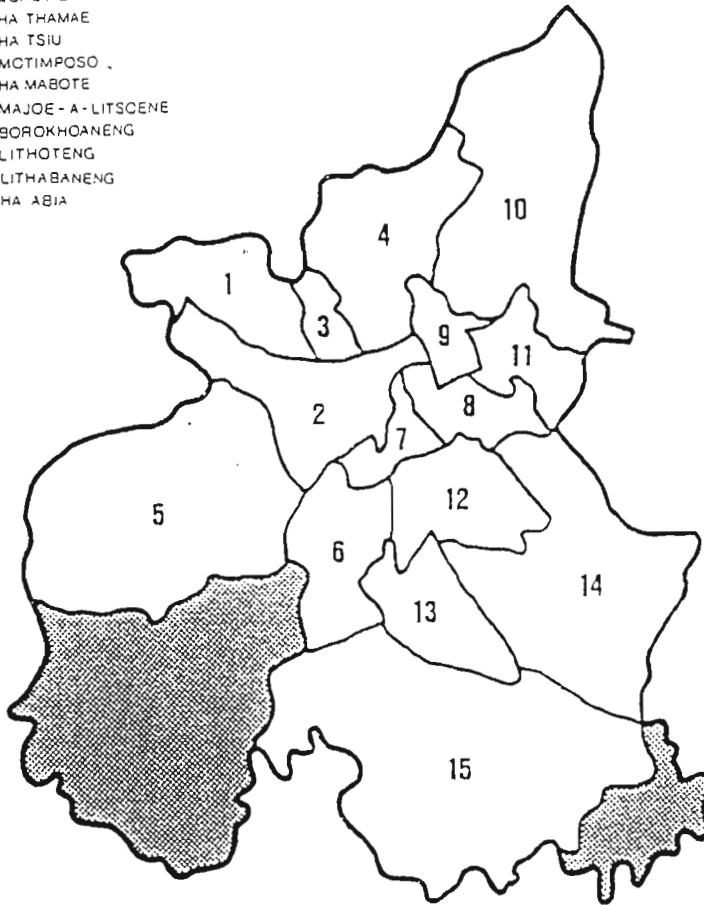
#### **4.4 Structure of the MCC**


Since Lesotho has been a colony of Britain until 1966 when it attained its independence, there is little doubt that the MCC would follow, to a certain degree, a British model of Urban Local Governance. The MCC is in fact the first and only attempt at creating a decentralized government structure similar to local government structures that existed prior to independence.

As a corporate body created by the UGA of 1983, the MCC is composed of 18 members. These include 15 Councillors elected from the 15 Wards over which the jurisdiction of the MCC extends (Map2), and three principal chiefs whose wards (Chieftainship Wards) extend into the Council's area of jurisdiction (Leduka 1995). These are the chiefs of Matsieng, Thaba-Bosiu and Maqhaka.

**MAP 2 . MASERU CITY COUNCIL ELECTORAL WARDS**

- 1 MASERU WEST
- 2 MASERU CENTRAL
- 3 SEAPPOINT
- 4 MAQALIKA
- 5 HA THETSANE
- 6 QOALING
- 7 HA THAMAE
- 8 HA TSIU
- 9 MCTIMPOSO
- 10 HA MABOTE
- 11 MAJOE - A - LITSCENE
- 12 BOROKHOANENG
- 13 LITHOTENG
- 14 LITHABANENG
- 15 HA ABIA



 Urban Areas Outside Council Boundary

**Source: Leduka, 1995:15**

\* The MCC also has a Management Committee that consists of elected representatives from within the council itself, and this committee is made up of five sub-committees which are the Health Committee, the Environment Committee, Works Committee, Planning and Development Committee and Parks and Recreation Committee. The main job of the Management Committee is to “define policy, approve and revise, as necessary, plans for its execution and make each year a financial plan (annual estimate) to enable the work to be done” (MCC, 1986:7). The duties of this committee are also to review functions

and duties of the local government and deal with applications to the minister for extension of services under Schedules 2 and 3 of the UGA1983.



The executive arm of the Council is composed of seven departments and these are the office of the Town Clerk, who is also Chief Executive, Administration Department, Health and Environment, Planning and Development, Works, Parks and Recreation, and the Finance Department (Appendix 1). The Planning and Development Department is the most recent of all the departments. Before 1994, all the duties and functions that had to do with planning, such as development control, were executed by the Central Government through the Department of Lands, Surveys, and Physical Planning (LSPP).



#### **4.5 Powers and Functions of the MCC**

According to the UGA1983 (Part IV, Section 37) the MCC has the following powers and duties:

- (i) to control, manage and administer the municipality and generally assist in the maintenance of good order and governance within the area;
- (ii) generally promote the public health, welfare and convenience, and the development, sanitation and amenities of the municipality;
- (iii) act as a rating authority and undertake all the duties with respect to rating as may be imposed on any local authority under this Act, or under the Valuation and Rating Act of 1980 or under any other law;
- (iv) undertake the duties and responsibilities as land authority in respect of all land within the municipality under Section 24 (1) of the Land Act 1979 when called upon so to do by the Minister;
- (v) undertake the functions of the planning authority for the purposes of Section 11 (4) of the Town and Country Planning Act 1980; and exercise any of the powers of consultation conferred on the public by

the Act, including the lodging of objections under Section 7 (1) (c) of the Town and Country Planning Act 1980; and  
 (vi) undertake any other duties that may be placed upon the Council by this or any other Act.

✶ The MCC is also charged with other duties as indicated in the UGA1983 under Schedules 1, 2 and 3.

**Table 4: Functions of Local Government in terms of UGA 1983.**

Schedule 1	Schedule 2	Schedule 3
<ul style="list-style-type: none"> <li>• Sanitation and housing</li> <li>• Protection of foodstuffs</li> <li>• Water and food supplies</li> <li>• Abattoirs</li> <li>• Sanitary services &amp; refuse removal</li> <li>• Infectious diseases</li> <li>• Streets and public places</li> <li>• Abatement of nuisance</li> <li>• Markets</li> <li>• Burial grounds</li> <li>• Pounds</li> <li>• Camping grounds</li> <li>• Grazing</li> <li>• Parks and gardens</li> <li>• Removal of obstruction</li> <li>✶ • Control of building,</li> </ul>	<ul style="list-style-type: none"> <li>• Fire</li> <li>• Education</li> <li>• Recreation and Culture</li> <li>• Roads and Traffic</li> <li>• Care of mothers and young children</li> <li>• Health education</li> <li>• Welfare and disadvantaged children</li> <li>• Water Resources</li> <li>• Fencing</li> <li>• Local Administration of central regulations and licenses</li> <li>• Laundries</li> <li>• Omnibus terminals</li> <li>• Mortuaries and burial of destitute persons</li> <li>• Public decency and offences against public order.</li> </ul>	<ul style="list-style-type: none"> <li>• Housing</li> <li>• Education – aspects of decentralization</li> <li>• Public utilities</li> <li>• Trading services</li> </ul>

Source: UGA 1983

According to Leduka (1995:12), "sources within the council indicate that currently the MCC performs all duties under Schedule 1 and provides some of

the services listed under Schedule 2, such as roads (maintenance and construction of streets), omnibus termini, recreation...”.

It is important at this stage to note two issues. The first is that the UGA1983 “is largely permissive rather than obligatory in as far as it lists functions which Council may perform” (Leduka, 1995:12). Secondly, the powers and duties of the MCC, and the way in which the Council would carry out these duties, is complicated by the fact that most of these functions are under the jurisdiction of line ministries such as the Ministries of Education, Health, Works etc. It was never made clear from the onset how the division of the duties would be made between Central Government and Local Government. As a result, there are situations where there is duplication between the Central Government and Local Government.

#### **4.6 Sources of finance for the Council**

Any council needs a sound financial base in order to be able to execute duties that are imposed upon it by the Act of Parliament. The MCC as a corporate body and in terms of Parts IX, X and XI of the UGA 1983, has the power to collect revenue, control spending, manage budgets, procure goods and services, own and dispose of assets, and borrow money - with the approval of the minister.

In 1980, three years prior to the enactment of the UGA 1983, a Valuation and Rating Act was passed. Its principal aim was to facilitate the valuation and rating of property, especially as a source of revenue for local authorities. Property rates on commercial, industrial, and high-income residential properties are the single largest source of revenue for the MCC, even larger than what government gives as a grant. However, according to sources within the council, it is estimated that the annual loss of revenue resulting from uncollected rates is significantly higher than the combined revenue represented by government payment in lieu of rates. Other major sources of revenue for the MCC are grants

from the central government in lieu of rates particularly for government owned property. In addition Central government transfers monies into the MCC account annually for the council to carry out all its duties and also to pay its staff. Other sources of finance for the Council are fees and charges, property income, commercial income and licenses.

Table 5 below will provide a breakdown of the MCC various sources of revenue.

**Table 5: Sources of income for the MCC**


Source	Breakdown
Taxes	Property tax
Licenses	Building permits
Property Income	Hire of; Parks and tents Markets and stalls Toilets Chairs and tents Community centers Utensils
Commercial income	Landscaping Sale of plants and trees Sale of dustbins
Fees and Charges	Refuse collection Pound and grazing Grass cutting Disinfestation Public convenience Clinical charge Sundry miscellaneous Land transfers Advertising
Grants	Government Grant-in-lieu of rate

**Source: MCC , Revenue and Grant Summary, 1994.**

According to Section 67 of the UGA of 1983, the MCC has powers to borrow funds for major capital projects from private financial markets such as the World Bank and the African Development Bank. However, the Council can only do this with the approval of the Minister responsible for Local Government in consultation with the Minister of Finance.

#### 4.7 Relationships between MCC and the Central Government

It is quite obvious that the type of relationships that have existed between Central Government and Local Government in Lesotho have, to a larger extent, been influenced by Central Government's level of political commitment to decentralize and to establish democratic local government structures in the country. One could argue that Central Government is justified in seeking control over all dealings of the MCC and this is because a very high proportion of the MCC's total expenditure is made directly by the Central Government and secondly, the MCC, even with its circumscribed expenditure role, functions largely as the executive arm of the Central Government.

 However, sometimes the powers and controls that Central Government have over the Local Government merely create bureaucratic obstacles that reduce local initiatives and local responsibility as well as accountability. The controls and powers can undermine local accountability in that the MCC sometimes blames the Central Government for its problems. There has to be a balance between central direction and controls on the one hand, and local discretion and responsibility on the other.

The UGA 1983 gives the Minister of Local Government extensive powers over the MCC. Sections 78, 79, 80, 81, 82, and 83 spell out the powers of the Minister. In brief, the Minister has powers to:

- (a) Coordinate the actions of all government departments so far as they encroach upon the functions of the Council.



- (b) Appoint an inspector to examine the performance by the council of its functions
- (c) Central government has the power to determine the overall resource allocation of the MCC. The Minister of Local Government must approve municipality budget before any funds can be disbursed against it.
- (d) If the Minister feels that the expenditure has been incurred without proper authority, he can disallow such expenditure and require the person responsible to repay it
- (e) Upon the auditors report, if the Minister ~~is~~ finds that there has been,
  - failure on the part of the council to collect money
  - any loss of money or property
  - any damage to property
  - any wasteful expenditure

OR if the Minister believes that

- the council has not performed
- the council acted without authority or
- a councillor has abused his position or not performed his duties
- feels that an investigation should be made into Councils affairs,

he may appoint a Commission to inquire into and report to him and as a result may do two of the following:

- (a) order the council to comply with his requirements
- (b) cancel a Councillor's membership of the council or declare that such a councillor shall not be eligible for the next elections

If the Council fails to comply with the Minister's orders, the Council may be suspended.

The Minister of Local Government can exercise these powers in the following ways:

- (i) in the form of encouragement to do things;
- (ii) in the form of restrictions to follow prescribed rules;
- (iii) in the form of punitive measures.

#### **4.8 Urban Management in Maseru**

From the early 1970s urban management was a duty that was carried out by the Maseru Township office. As already indicated in the previous chapter, this was a central government body that was placed under the Ministry of interior and was responsible for the construction and maintenance of urban non-gazetted roads, garbage collection, sanitation (excluding water-borne sewage disposal), slaughter houses, application for building permission, parks and gardens, burial grounds and markets. This was until 1989 when the MCC was created and it took over most of the duties and functions of the Town Office.

The MCC is not the only body responsible for urban management in Maseru. Instead central government and other parastatal bodies such as the Lesotho Electricity Corporation (LEC), the Lesotho Housing and Land Development Corporation (LHLDC), and the Water and Sewage Authority (WASA) are responsible for a whole host of other urban services. Among the services that are typically performed by such agencies are water supply, housing and sewage disposal.

As already indicated the duties and functions of the MCC as the urban manager in Maseru are stipulated in the Urban Government Act of 1983 (UGA 1983) under schedules 1, 2 and 3.

Central Government through the department of Works is in charge of the provision and maintenance of all the national roads, that is, the gazetted roads

that are within the jurisdiction of the MCC. The Department of Lands, Surveys, and Physical Planning (LSPP) was responsible for the planning, planning control and land allocations within urban Maseru until quite recently when these function were handed over to the MCC as a new planning authority within urban Maseru.

The WASA is responsible for the provision of water within the urban area as well as in areas outside the urban area. The 1994 estimates by WASA indicate that only 30% of households were connected to water and only 8% to reticulated sewage (Romaya and Brown, 1999). As far as sanitation is concerned, most households dispose of their sewage system through septic tanks that are available on individual plots.

The LEC provides electricity to the City of Maseru and the entire country.

#### **4.9 Conclusions**

Like other local government structures that came before it, the MCC has a lot of central government control. However, unlike them, it has a legislative framework under which it operates. The Urban Government Act 1983, (UGA) provides for the creation of the MCC and by this very act the Central Government exerts a lot of powers and controls over the MCC.

It is very evident that even with the MCC, as was the case with the local government structures that were in place before the MCC, politics still played a major role in the fact that the MCC took such a long time before it could be put in place even though there was already a relevant legislative framework to set up the MCC. One could come to the conclusion that, had it not been for the pressure exerted by the World Bank on the Government of Lesotho to put a local government structure in place, it could have taken an even much longer time for the local authority to be established.

## CHAPTER 5: CASE STUDY – MASERU CITY COUNCIL

### 5.0 Introduction

The purpose of this chapter is to examine the factors that hinder the effectiveness of the MCC. From its inception in 1989, the MCC as a pilot project which was intended to provide a model for the establishment of municipal governments in Lesotho has not lived up to expectations. It has been beset with chronic urban management problems, which according to various sources within the council have been the result of a multiplicity of factors. According to Wallis (1999:96), “much of the difficulty can be attributed to the circumstances under which it came into existence”. This chapter is divided into two parts. The first part will provide an outline of the urban management problems in Maseru, while the second part will discuss the actual factors that bring about problems of urban management in Maseru.

As is the case with many other urban local authorities in Africa, the MCC falls within the category of the overcontrolled local sector. The MCC is characterized by the following;

- A high proportion of its total expenditure is made directly by the central government;
- It functions largely as an administrative arm of government;
- Central Government dictates virtually all expenditures of the MCC;
- Central Government approves the budget of the council; and
- It cannot be regarded as an autonomous body.

These characteristics have proved to create nothing but management problems for the MCC.

## 5.1 Problems of urban management in Maseru

- **Population growth**

The Town Clerk argued that the high rates of population growth in Maseru accompanied by the physical extension of the town is a continual strain on the limited resources available for urban management in Maseru. This raises the question of how to raise finances because an increase in the urban population means more roads, more clinics etc. The Town Clerk went on to indicate that in cases where the MCC is confronted with a situation of lack of resources and high population growth rates, services such as refuse and garbage disposal, roads, sanitation, burial grounds, etc have deteriorated. These services are inadequate, in both coverage of the urban area and the maintenance of services.

- **Urban Roads**

Most urban roads in Maseru, particularly the roads within the major residential areas and the suburbs are in poor condition, with a lot of potholes and blocked storm water drainage channels. The Town Clerk indicated that in most cases storm-water drains have been overlooked in the design and construction of the urban roads. This results in heavy flooding leading to soil erosion, particularly in rainy seasons. Sources within the Council have argued that shortage of heavy construction equipment and the necessary inputs such as tar due to the lack of financial resources within the MCC, are the major constraints for the construction and maintenance of these urban roads. Another factor that has been mentioned as contributing to the poor road condition is lack of technical personnel (Ibid).

- **Refuse Collection**


The MCC is responsible for refuse and garbage disposal within the Maseru Urban Area. It is supposed to collect and dispose of garbage from residential areas, offices, and industrial sites. However, sources within the Council have indicated that, the MCC can only manage to collect and dispose of garbage from the CBD in Maseru and within a few planned urban residential areas of Maseru

such as Maseru West, Maseru Central, Maseru East, Ha Thamae and Khubetsoana. The Council does not collect garbage from the unplanned settlements (though still within the jurisdiction of the MCC) such as Lithabaneng, Seoli, Lithoteng, Majoe-a-litsoene and Qoaling.

Sources within the Council have indicated that four garbage collection vehicles were purchased when the MCC was established in 1989, and out of the four, the Council is now left with only two, and these are hardly operational. The MCC has an inadequate number of refuse collection vehicles, as compared to the daily amount of refuse produced within the urban area. As a result, the capacity of the MCC to collect and dispose of garbage has been declining. They can only manage to collect a small amount of the refuse generated per day. The result of this is garbage left laying around unhygienically in the streets, and in rainy seasons it blocks the storm water drainage systems, which poses a threat to both public health and the environment.

The Town Clerk went further to indicate that the present dumping site at Ha Tsoane is exhausted and the Council is in need of a new site. However, due to lack of finances, this is not very easy.

- **City Planning**

 The MCC has just assumed its role as a Land and Planning Authority in 1998. However, the MCC does not perform all its functions as a planning authority due to lack of finances and qualified staff within the planning department. As the result, development in Maseru continues to take place without any development permission hence haphazard and unplanned development.

- **Street Lighting**

The MCC is not the body responsible for the provision of electricity in Maseru. However, it is responsible for street lighting within the Maseru Urban Area. Maseru has been referred to by its residents as the “dark city”, and this is

basically because there have been times when the city has gone without lights. Very few areas within the City have street lighting (not even all the streets).

The reason why Maseru is without street lighting sometimes, according to the Town Clerk, is the fact that in most cases the MCC does not pay what it owes to the LEC and then the LEC cuts off the electricity supply. The reason for the non-payment of LEC bills by the MCC is the fact that the MCC does not have adequate financial resources mainly because the residents of Maseru are failing to pay rates.

It can be observed from the few examples provided that the MCC is generally not performing well as an urban manager in Maseru. Roads are in a continuous state of disrepair and are continuing to deteriorate, the streets are dark, garbage is piling up, and left undisposed of and also the Council is not effectively doing its work as a planning authority.

## **5.2 Major Findings**

This part two of the chapter is going to discuss the major factors that have contributed to the ineffectiveness of the MCC.

### **5.2.1 Local Perceptions**

Since its inception the MCC has never been a popular local government body with the residents of Maseru urban area itself. This is evidenced by the low polls in the 1991 and subsequent municipality elections. As Leduka (1995) indicates, only 36% of the registered voters took part in the polls in 1991 and this represented only 5% of the total population of Maseru (Table 6).

According to Leduka (1995), each municipality ward had an average population of 3,000 eligible voters in 1989, but it is evident that few people are registered as voters and even few voted.

**Table 6 : People who registered and voted in the 1991 MCC elections**

<b>Ward</b>	<b>Registered Voters</b>	<b>People who voted</b>
Maseru West	537	245
Maseru Central	587	172
Sea Point	912	354
Maqalika	805	253
Thetsane	1262	521
Tsiu	917	303
Motimposo	947	431
Mabote	2215	735
Majoe-a-litsoene	596	150
Borokhong	980	329
Lithoteng	649	232
Lithabaneng	1779	471
Abia	1522	638
Qoaling	1107	461
Thamae	1068	319
<b>Total</b>	<b>15823</b>	<b>5614</b>

**Source: Maseru City Council, 1991.**

From the 1991 elections results it becomes quite evident that, from its inception, the MCC has had very limited popular support and according to academicians at the National University of Lesotho (NUL), this has been due to the fact that the MCC was introduced during the military regime, whose tendencies including those of its predecessor the BNP were towards a more centralized form of management as opposed to decentralization which presupposes an element of democracy. Both the BNP and its successors the Military enjoyed little public support: "The creation of this council was seen as a further example of domination by unpopular rulers.... not in any sense a step towards local democracy" (Wallis, 1999:94). The people of Maseru just did not believe that autonomous democratic local structures would be allowed to exist within an undemocratic environment.



Another factor that contributed to the MCC being so unpopular amongst the residents of Maseru is the fact that, the people were never from the onset sensitized about urban local bodies, i.e. what they are, what they stand for, how they can benefit from them and so on. There was basically no public consultation considering that urban local government was a completely new thing in Lesotho. Therefore, people did not really understand the MCC. As a result of these two factors, the MCC never had the support of the community it was to serve. This situation had very detrimental implications for the Council because it meant that the people of the Maseru urban area have been reluctant to pay property rates to the Council.

There has also been the argument that the MCC generally failed because from the onset the central government did not demonstrate or have any serious commitment to the whole concept of autonomous democratically elected local structures. As indicated earlier in preceding chapters, it is evident that Central Government approved the creation of the MCC only because with it came the funding from the World Bank for urban projects.

The World Bank was to loan the government of Lesotho funds in the vicinity of 3 – 4 million Maloti (4 Maloti = 4 Rands) for the establishment of the MCC by transforming it from the former Town Office to a fully constituted Local Authority able to deliver the services and perform the functions intended under the UGA 1983. The establishment costs for the council included office equipment and machinery, new office building, plant and vehicles. There was also a Five-Year Investment Plan in which the newly created MCC was to do the following;

- Upgrade roads (about 136 km) which were previously under the Maseru Township Office and also the remaining roads (about 200 km) under the jurisdiction of the MCC;
- Provision and upgrading of public amenities which includes parks, landscaping and public toilets;

- Upgrading of the major peri-urban areas of Maseru, which include, Qoaling, Lithoteng, Lithabaneng and Seoli.

However, the World Bank indicated that before it could disburse funding to the MCC, central government should fulfill the following:

- In terms of the Credit Agreement government was to provide an annual subvention to MCC of M1.0 Million for the first five years of the Council's life. However, government was never up to date in terms of the payments of the subventions which became a source of concern to the Bank
- Government was also to pay in lieu of rates estimated to be M650,000 annually and subject to increase in terms of revised valuation rolls – even in this case, government was constantly behind in its payments
- Furthermore, the World Bank was concerned by the failure of the MCC to collect revenue (in the form of property rates). The Bank required the preparation and implementation of a Rates Collection Strategy and a Rates Collection Management System. However, even in this case in spite of all the attempts that were made to try to improve rate collection, the defaulters hardly paid. This is an indication that there has hardly been any political will on the part of central government to try to get those people who did not pay their rates to do so.

Over and above these, the Bank demanded that the Council produce financial management and accounting systems for the MCC, since financial statements and audited accounts were not being produced. Even in this case the Council could not produce all of these due to a lack of sufficiently and properly trained staff to manage the day-to-day accounts that allow for financial planning, timely preparation of annual accounts, and the preparation of budgets.

In view of the fact that the MCC and the government could not satisfy the World Bank's requirements, the Bank withdrew its funding. This withdrawal of vital finances for the development of Maseru urban area has contributed drastically

to the poor performance of the Council because none of the projects that were proposed in the Five Year Investment plan were implemented at the time, thus leaving services in a state of continuous disrepair.

Some sources within the Council are of the opinion that it was a mistake for the Bank to withhold funds for the urban investments. They argue that, had the World Bank given out the funds to the government of Lesotho, the government would have been forced to meet its obligations.

### **5.2.2 Institutional Framework**

As already mentioned in the previous chapter, the MCC is not the sole body responsible for urban management in Maseru. Central Government as well as other parastatal bodies are responsible for the provision of other services such as water, electricity, building of schools, clinics etc. Despite the provision of the National Constitution – the UGA of 1983 – the responsibilities of the MCC are very limited and they reflect the ad hoc accretion of past practices and political accommodations.

This has led to erosion of the authority of the MCC since it is not responsible, or does not provide to the community vital services such as water and electricity. This has made the MCC even less popular and less recognizable within the community it serves.

Furthermore, the fact that the MCC does not provide vital services such as these means that the MCC is deprived of the very vital financial muscle it needs because if the MCC were providing these services it would be able to generate more resources in order to undertake developmental projects.

### **5.2.3 Legal Limitations**

It would be very desirable for local governments to be autonomous bodies, as this would enable them to make decisions. However, there is also a feeling that

local government should have a degree of accountability to central government through a national regulatory framework. There is no country in which local authority is entirely sovereign, but it functions within a legal framework established in national law.

4 The MCC functions within the statutes as stipulated in the UGA 1983. The UGA, however, places too much power on Central Government over the MCC. The Act is designed in such a way that it ensures a strong central control. Wallis (1999:95) indicates that the UGA of 1983 "...could not by any means, be interpreted as a piece of legislation by which autonomy would be given to local authorities".

9 Some sources within the Council feel that the UGA of 1983 is weak and ambiguous in its definition of the relationships between the Council and the Ministry of Local Government. As a result of these weaknesses and ambiguity the relationships between the council and the local government are strained. While central government authority and power over the MCC can be perceived as something positive, particularly considering the fact that the MCC is the executive arm of government, it has, however, sometimes created long bureaucratic procedures that have hindered the performance of the Council. This further confirms the allegation that from the onset, that the Central Government did not demonstrate any serious commitment to the whole concept of autonomous democratic local government structures in Lesotho. This lack of commitment is reflected in the relationships that have existed between central government and the MCC. These have been characterized on the one hand by unnecessary interference in the affairs of the MCC by Central Government and on the other hand, lack of interventions where required to do so by law, such as the case of approvals of annual estimates, salaries structures, property rates, transfer of funding to the MCC etc. On various occasions central government has tended to withhold and not to transfer authority and legal powers to the

MCC in order for the enforcement of various regulations. As already indicated, central government has authority over all dealings of the MCC.

Some other sources within the Council feel that the UGA as it stands shouldn't be the issue that impacts negatively on the dealings of the council as well as what impacts negatively on the relationships between the council and the central government. Instead, it has been argued that the fact that the Council depends mostly on funding from Central Government, and the fact that the Council uses most of its income towards staff salaries as opposed to capital projects (a fact that the Central Government is opposed to) is the one that causes tensions and sours relationships between the two tiers of government. The government generally feels that the MCC should redirect more of its revenue towards developmental projects.

\* The UGA 1983 as it stands creates problems for the MCC in relation to its functioning. The Act does not clearly stipulate the who, when and how regarding the performance of duties within the Council. As the result of this there are some duplications in the functions between the MCC and some of the Central Government Departments, which results in confusion between the two. For instance, the Town and Country Planning Act of 1980, remains a joint responsibility between the Department of Lands Surveys and Physical Planning (LSPP) and the MCC. Also, the Authority Public Health Order of 1970 is still being implemented by the Ministry of Health in spite of the fact that there is a Health and Environment Department within the Council.

Sources within the Council further indicated that the Act also poses problems for the MCC in that, there is ambiguity and conflict in the functions, responsibilities and powers of the Town Clerk and the Management Committee and this is because the Act invests the executive powers of the Council in both Management Committee and the Town Clerk. One could argue that there is duplication of functions within the Council (see also management structure of

the MCC, appendix 1). This situation causes a strain and conflict in the relations that exist between the Town Clerk and the Management Committee. In 1990, there was such a conflict between the Town Clerk and the Mayor, where the entire Council was suspended on Ministerial order pending the investigations of the working difficulties between the Town Clerk and the Council. The Commission presented a list of problems that were reported to be causing the tensions between the two:

- domination by a single party which wanted to extend its influence to the activities of the Council in an attempt to oust those officers it felt were not likely to dance to its tune;
- an attempt by a handful of Councillors to use the Council as a power base for their lucrative political careers;
- a handful of influential Councillors who were not committed to the work of the Council but bent on a road of disruption, confrontation and embarrassment to the Government;
- the apparent power struggle and violation of laws and rules relating to local government practices were more of a tactic than a problem by itself; that the tactics were aimed at exerting pressure on the Town Clerk to leave and engaging the central government in a relentless stress to withdraw the Town Clerk;
- the tireless, hateful and fearful personality of the Mayor on its own played the single most catalytic role in the fuelling of the tension while rigid and stubborn character of the Deputy Mayor, as a sure support of the Mayor, was the second most destructive element in the Council;
- those Councillors who were direct proxies of their political party helped to hold the entire council under virtual state of siege by purporting to be carrying party instructions and thereby intimidating other Councillors into submission; and

- the domination of the Management Committee, which is the most important Council Committee by those elements who rated Council work second to party political interests.

(GOL, Commission's Report, November 1990, 43-44) in Leduka, (1995:17).

Leduka goes further to show that,

“the commission made far reaching recommendations including the revisitation of the UGA 1983, close monitoring of the Council by the Central Government, further training of the Councillors, abolition of caucuses; ministerial nomination of Councillors into various Council Committees; and the dismissal of the Mayor, Deputy Mayor and two other members of the Council. The Town Clerk who was at the centre of the controversy was exonerated” (GOL – Commissions Report, November 1990 42-44 cited in Leduka 1995:17).

Following the report, the Mayor, Deputy Mayor, and the other members of the Council were dismissed.

The Town Clerk has indicated that he feels it was not necessary to dismiss the Mayor, Deputy Mayor and the two officials, instead what should have been done was to run workshops and train different role players regarding their different roles in Council.

#### **5.2.4 Lack of financial resources**

It is important to note that the MCC is a service organization and also non-profit making. It is, however, charged with the responsibility of providing essential services to the Maseru Community. The MCC operates on a very tight budget because of the very limited revenue base on which it depends. The MCC is

hindered in its performance as an urban authority in Maseru because it lacks the finances to carry out its duties and functions. There is argument to suggest that the problem particularly arises due to the fact that the UGA does not spell out the obligations and responsibilities of the central government in respect to the financing of the MCC. There is no legal provision of local government financing through a stipulated formula. Section 58 of the UGA does not spell out clearly and concisely how central government will finance the MCC. As a result, the central government has never in the history of the MCC transferred adequate financial resources to the MCC in order for it to execute all its duties and functions.

Sources within the Council have also indicated that, according to revaluation of government owned property undertaken in January 1999, the Central Government is supposed to pay a grant in lieu of rates for government owned property of M17,040 000.00, subject to increases in terms of revised valuation rolls. However, Central Government has informed the Council that only M11,577 940.00 will be available. It has also been indicated that the money that is paid to the Council by the central government never increases in spite of the fact that government owned property is increasing.

Despite the fact that government does not transfer adequate resources into the coffers of the MCC, the Council is charged with extensive responsibility, of which its budget cannot sustain. The 1995/96 capital estimates were submitted to the Minister of Local Government in order to highlight some of the essential services, which the Council could not afford due to limited resources.



**Table 7 Maseru City Council – Capital Estimates 1995/96**

<b>Department</b>	<b>Description</b>	<b>Amount(M)</b>
<b>Administration</b>	City Hall (Conference center)	2,000,000
	Staff Housing (MCC houses)	1,500,000
	Photocopier (heavy duty)	50,000
	Markets	<u>1,500,000</u>
	Total	5,050,000
<b>Finance</b>	Computer Systems (Network)	150,000
	Warehouse	150,000
	Vehicles for stores	80,000
	Motor Cycles (4)	<u>40,000</u>
	Total	420,000
<b>Health and Environment</b>		
	Refuse trucks (2)	900,000
	New refuse disposal site	150,000
	Conversion truck	100,000
	Vehicles (3)	300,000
	Water tanker (5)	60,000
	Vacuum tanker (2)	800,000
	Hospital equipment	90,000
	Motor bikes (10)	<u>100,000</u>
	Total	2,500,000
<b>Works and Planning</b>		
	Supervisory Vehicles	580,000
	Quarries	500,000
	Mechanical workshop	300,000
	Road construction	8,000,000
	Street lighting	<u>2,000,000</u>
	Total	11,380,000
<b>Parks and Gardens</b>		
	Fiber glass tunnel	200,000

4 tunnel mini truck tipper 350FN	120,000
Cemeteries equipment	350,000
Out door GMX equipment	<u>100,000</u>
<b>Total</b>	<b>770,000</b>

<b>GrandTotal</b>	<b><u>20,120,000</u></b>
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**Source: MCC 1995.**

Table 8 below is the 1995/96 budget estimates that were submitted to the Minister for approval. It should be indicated at this point that the MCC estimates are prepared on the basis of anticipated cash flow, which in most cases does not turn out to be as expected.

**Table 8                      1995/96 Budget - Revenue and Grants (summary)**

<b>Source</b>	<b>1995/96 Budget (M)</b>	<b>1995/96 Actual (M)</b>
Taxes(property)	11,584,940	4,966,284
Licenses	30,035	14,340
Property(MCC)	161,455 70,000	215,118
Investment	—	—
Commercial	122,000	46,505
Fees & charges	146,000	176,820
Non- recurrent	1,454,825	4,898
Revenue grant	3,800,000	4,000,000
<b>Total</b>	<b>17,696,255</b>	<b>9,423,965</b>

**Source: MCC 1995.**

Table 9 below indicates the expenditure summary of the MCC in the financial year 1995/96.

**Table 9: expenditure summary 1995/96**

	1995/96 Budget (M)	1995/96 Actual (M)
Emoluments	8,383,535	6,557,159
Premises	1,353,315	915,818
Supplies	2,831,053	479,993
Transport	1,013,000	430,120
Establishment	2,225,500	966,787
Capital	2,272,849	70,633
Total expend.	17,969,255	
Contingency	1,796,925	
<b>Grand Total</b>	<b>19,766,180</b>	<b>9,420,510</b>

**Source: MCC 1997.**

From an analysis of Tables 7, 8 and 9 it can be gathered that the Council operates with financial resources way below its budget. To compare between what the Council has to do and the financial resources it actually receives for carrying out its duties and functions, it can be realized that council's revenue is much lower than what it actually needs in order to be a successful Council with capacity to execute its duties. The 1995/96 capital estimates (Table7) show that the MCC needs M20,120,000 in order to provide services within the Maseru urban area. However, from table 8 it can be realized that the Council was only able to raise less than 50 percent of what the Council needs. The money that the Council needs for capital projects is way above what the MCC has at its disposal.

There is a general feeling within the Ministry of Local Government that while it is true that the MCC does not have adequate financial resources at its disposal, it uses a greater part of its income towards emoluments and very little or nothing at all towards capital projects and the provision of services. The Principal

Secretary in the Ministry of Local Government felt that the Council should re-direct most of its finances towards capital projects and not emoluments. Table 7 indicates that in the financial year 1995/96, emoluments account for 42.4% of the entire budget. Expenditure on emoluments has been increasing over the years as shall be seen in the proceeding tables.

**Table 10: Revenue and Grant summary for the financial year 2000/2001.**

	<b>1998/99 Budget</b>	<b>1998/99 Actual</b>	<b>1999/2000 Budget</b>	<b>1999/2000 Actual</b>	<b>2000/2001 Budget</b>
<b>Property Rates</b>	10,000,000	2,667,360	9,300,000	3,945,316	8,000,000
<b>Licenses</b>	5,00,000	41,597	500,000	115,320	200,000
<b>Property income (MCC)</b>	140,000	103,005	154,900	128,620	154,900
<b>Commercial income</b>	481,759	76,199	602,500	693,056	562,500
<b>Fees and Charges</b>	538,500	506,885	1,282,189	620,097	889,000
<b>Revenue Grant</b>	8,963,000	8,963,000	10,000,000	10,000,000	11,577,940
<b>Bill Boards</b>			50,000	933	50,000
<b>Land Transaction</b>			2,000,000	588,744	2,000,000
<b>Total</b>	20,719,259	12,358,043	23,889,589	16,092,086	23,434,340

Source: MCC, 2000:

**Table 11: Expenditure Summary for the financial year 2000/2001**

	1998/99 Budget (M)	%	1998/99 Actual (M)	%	1999/2000 Estimated Actual (M)	%	2000/2001 Budget (M)	%
Emoluments	12,678,859	61.2	10,863,206	79.6	10,903,698	79.5	22,337,143	56
Premises	1,003,400	4.8	373,528	2.7	353,833	2.6	6,253,960	16
Supplies	3,578,500	17.3	609,856	4.5	717,580	5.2	5,139,300	13
Transport	928,000	4.5	717,222	5.3	730,543	5.3	1,594,000	4
Establishment	2,529,500	12.2	1,079,135	7.9	1,011,985	7.4	4,219,000	11
Total expenditure	20,719,259		13,642,947		13,717,639		39,543,403	100

Source: MCC, 2000

From tables 10 and 11 it can be observed that even for the financial years 1998/99 and 1999/2000 the MCC has been receiving funds well below that for which it has budgeted. In 1998/99 financial year, the MCC had budgeted for M20,719,259 but it only got M12,358,043. It was mentioned earlier that according to the 1999 revaluation of government property, central government is supposed to transfer a total of M17,040,000,00 into local government coffers, but according to table 10, it only gave M8,963,000 and M10,000,000 for the financial years 1998/99 and 1999/2000, respectively. This is approximately 50 % of the government property valuation.

Looking at Table 11, one realizes that it is a fact the MCC uses a larger percentage of its revenue towards emoluments. In 1998/99 it was 61.2% while in 1999/2000 it was 79.5%.

Over and above this it has been argued that the MCC is charged with extensive responsibilities without the corresponding transfer of financial resources. Central Government has never approved the MCC's budget and as a result it has always transferred financial resources that are less than that for which the Council has budgeted.

Central government as the biggest land-lord within the Maseru urban area, does not pay the full cost of the property it owns in Maseru, and this is in spite of the fact that the Council services various government properties (office complexes and residential homes) as it is responsible for storm-water, garbage disposal as well as road maintenance and upgrading services. Furthermore, the Central Government always has to approve what Local Government charges for property in Maseru.

One other factor that contributes to the MCC's lack of finances and the resultant poor service delivery record is the fact that the Council does not have a sound tax base. According to the report by the World Bank, most British Colonies have adopted a British system on the division of taxation between central governments and local governments. The report goes on to indicate that, central government in such countries usually assign to themselves the following taxes:

- Income tax,
- Sales tax,
- Customs and excise duty,
- Fees, and
- Fines.

While the local governments would usually have the following sources:

- Property tax,
- Rents,
- Tariff,
- Licenses,
- Fees,
- Loans, and
- Grants.

The situation with the MCC is the same as in other British ex-colonies (as indicated in the previous chapter, under sources of finance for the MCC).

However, the MCC does not effectively collect these taxes (Tables 7 and 9 ). The actual amount that the council hopes to collect from property rates, licenses, property income, fees and charges, and commercial income, is always much lower than that for which the Council had budgeted .

The problem with this type of arrangement between the MCC and the Central Government is that the Central Government ultimately collects taxes that are easier to collect such as income tax, tax for cars and customs and exercise. By so doing, Central Government leaves the taxes that are administratively and politically difficult to collect to the Local Government.

According to the Town Clerk the MCC is expected to perform a lot of duties, for instance it is expected to construct roads, yet taxes from the registration of cars, B-permits and other taxes go into central government coffers. Within the Maseru urban area central government is responsible for the construction of fewer roads compared with the MCC yet it takes everything and leaves the MCC with nothing. There is a general feeling that the solution to the financial problems of the MCC would be for central government to delegate the revenue collection powers to the MCC, and make its sources of finance more elastic.

Poor collection of property rates on commercial, industrial and residential developments has also resulted in poor performance of the Council. The Town Clerk indicated that the general public is reluctant to pay rates due to the very fact that, they have never seen the Council as a democratic structure and therefore are reluctant to pay their monies to it. He went on to show that, some of the residents of the Maseru urban area even associated the MCC with the dreaded apartheid municipalities in the neighbouring South Africa. There has been a general misunderstanding and hostility towards the MCC. Secondly, it was indicated that poor rate collection stemmed from poor planning on the side of the Council; failure to deliver services; poor revenue collection mechanisms; and the fact that Council does not have a valuation office. Under the



circumstances one wonders as to how the rate to be charged is derived. Furthermore, the Council's ability to collect rates is hindered by the absence of a Rates Collection Court. Presently, the existing system for the enforcement of rate payment is cumbersome and lengthy; also the Council's legal department lacks the capacity to deal with these issues.

Another source within the Council has indicated that the reluctance by the general public in Maseru Urban Area stems from the fact that, the public argues that the Council does not provide any services for them. For instance, the public argues that they build their own houses, install electricity in their houses themselves which they get from LEC, install piped water on their property at their own cost, and the water is from WASA and not MCC. Therefore, they do not see why they should pay rates to the MCC.

It has also been indicated that when potential Coucillors canvass for positions, one of their canvassing points is the abolition of rates. This, of course, gets them elected. However, once they get into the Council and find that their salaries are in fact paid from the rates they turn around and go to their respective constituencies and ask the public to pay and of course they refuse.

In this case the Town Clerk made the example of the Lesotho National Development Corporation (LNDC) which owns the largest property in Maseru after central government. This institution has been resisting payment of its industrial rates for a long time. It has been indicated that LNDC on the one hand argued that it would not pay rates to the MCC because the latter was not responsible for the maintenance of infrastructure within LNDC industrial estates. Central Government on the other hand was reluctant to force LNDC to pay rates or force it to go to court because the LNDC is a creation of the central government, and it is providing jobs in the country in spite of the declining national economy. The LNDC had failed to pay rates to the Council even after

numerous efforts by the World Bank to persuade the government to coerce LNDC into paying rates.

It was only last year that the LNDC finally committed itself to paying industrial rates and paying the outstanding arrears. However, the LNDC has indicated that before it can pay the MCC must take over the maintenance of infrastructure within the LNDC industrial estates. When LNDC did begin to pay rates it indicated that it would subtract from its assessment what it claimed to have spent on maintenance of infrastructure on its industrial estates.

Since its inception, the MCC has not been strictly following disciplined financial practices. Also, the MCC has always sustained an expenditure pattern in excess of revenue. There have always been increases in administrative expenditures, while revenue collection has been declining. Furthermore, the Council does not have a system of controls and procedures that can ensure that the accounts are complete, accurate and up to date, to protect against fraud and to properly safeguard the assets of the Council. However, as already mentioned, this does not easily reflect in the Council's annual financial statements. The Town Clerk has indicated that it has proved to be very difficult to try and establish any inconsistencies (deficits/surpluses) in the expenditure patterns of the MCC because of the following reasons:

- i) changes in senior management positions in the Council – it was indicated that the MCC has had 4 City Treasurers since inception;
- ii) positions in Council are not occupied, and where they are occupied they are filled by acting persons or persons with inappropriate qualifications;
- iii) presently, the posts of Chief Accountant, Revenue Accountant and Assistant Revenue Accountant and Valuer are vacant; and
- iv) the Council has no system of accounting, either manual or computerized in place. Parts of the general ledger accounts are not

kept at all and the accounting computer system just produces partial user information such as bills, which are incomplete in coverage.

The Auditor General's Report on the Financial Statements of the MCC dated 31<sup>st</sup> March 1994, page 3 also indicates that,

"I was unable to satisfy myself that the accounting records and related financial controls were operated properly during the year to ensure the completeness and accuracy of the financial statements, and that the financial statements reflect only activities properly undertaken on behalf of the Council".

As a result of these deficiencies, it is very difficult to try and establish whether

- i) the accounts of the Council are in order and present a true view of the financial position of the Council and its transactions
- ii) rates levied are adequate and how much is not being collected
- iii) the council and its officers have managed their affairs with efficiency and economy so as to ensure good value for money spent.

Table 12 below depicts comparison of approved estimates with recorded outturn within the Council in March 1994.

**Table 12: Estimated and recorded outturns for year 1994**

**Income**

	<u>Approved</u>	<u>Actual</u>	<u>Variance</u>
Rates	7,300,000	3,494,839	(3,805,161)
Invest. Income	106,000	101,620	(4,380)
Grants	3,800,000	2,800,000	(1,000,000)
Non recc. Revenue	3,029,068	224,183	(2,804,886)
Other	275,400	19,061	(256,339)
<b>TOTAL</b>	<b>14,510,468</b>	<b>6,639,702</b>	<b>(7,870,766)</b>

**Expenditure**

Administration	2,450,741	2,288,458	(162,283)
Finance	1,891,431	1,288,458	(71,809)
Health & Environ.	3,166,846	1,782,516	(1,384,330)
Parks	1,081,538	534,094	(547,444)
Works	3,381,436	2,213,162	(1,168,274)
Planning	531,876	229,886	(301,990)
<b>Sub total</b>	<b>12,503,868</b>	<b>9,011,356</b>	<b>(3,492,512)</b>
Contingencies	300,000	1,257,286	(957,286)
Renewals fund	350,000	595,534	(245,534)
<b>Total Expenditure</b>	<b>13,153,868</b>	<b>10,864,176</b>	<b>(2,289,692)</b>
<b>Surplus/deficit</b>	<b>1,356,600</b>	<b>4,224,474</b>	<b>(5,581,074)</b>

**Source: MCC 1995**

The financial statement for the year ended 31<sup>st</sup> March 1994 (Table12) confirms that the MCC does spend more than its budget or its available resources. In 1994 the Council had budgeted a sum of M14,510,468 but was only able to collect M6,639,702. However, the total expenditure of the Council for that year was M10,864,176 which is M4,224,474 more than what the Council had in its account.

This situation impacts negatively on the functioning of the Council in that, since every year the Council is always in deficit/surplus. Every beginning of a financial year when the MCC gets its funds for the following financial year, it first has to balance the outstanding moneys from previous year, and in this way, the Council finds itself perpetually in debt. When Council is in debt it resorts to Central government for further funding, this further perpetuates the dependency of the Council on Central Government and creates unnecessary tensions between the two tiers of government.

Sources within the Council on the one hand have indicated that the Council will always find itself continuously in debt and spending more than its budget allows because, it has a very tight budget yet it is expected to perform a wider range of responsibilities. Sources within the central government on the other hand have argued that, in as much as it may be a reality that the MCC has a tight budget, the other reality is that the Council spends a higher percentage of its income on emoluments as opposed to capital costs and service provision. The argument from the Central government is that, the MCC should redirect a higher percentage of its budget to capital works rather than salaries.

#### **5.2.5 Institutional Capacity**

A good management structure and practice is the key to the success of any organization. The MCC has an elaborate organizational structure (appendix 1). The structure as it stands should be appropriate for a fully functioning municipal

government. But as currently exists, the Council 's functioning capacity and level of performance fall far below what could be termed reasonable.

As a result of the following institutional capacity problems the MCC is not functioning as expected:

The first one pertains to human resource. It has been reported that there is an absence of proper leadership at top management level and all departments are understaffed in the area of professional fields, for example, presently, the posts of Chief Accountant, Revenue Accountant, Assistant Revenue Accountant and Valuer are Vacant. The MCC is also characterized by a high turnover among the key officers. For example, the Council has had five Town Clerks and four City Treasures since its inception in 1989. This was because political patronage appeared to be the key criteria for holding management positions within the Council. In 1998, some staff members were retrenched in the Council and these included some of the officers in top management such as the Director of Planning, Director of Works and the Acting Director of Parks. Sources within the Council indicated the reason for this retrenchments were the fact that the Council was overstaffed and therefore did not have the money to pay staff salaries (As already noted, the MCC spends approximately 75% of its income on staff salaries as opposed to capital projects). However, there is a general feeling and suspicions within the Council members that the retrenchments had a lot to do with politics. Most of the people retrenched were suspected to be affiliated to the opposition parties.

Despite the fact that a number of employees were retrenched in the Council, a high proportion of the Council's revenue still goes towards personnel emoluments, 79.6% in 1998/99 financial year and 79.5% in 1999/2000 financial year. According to the 2000/2001 Recurrent Budget of the MCC, this is because the Council is presently faced with a law suit by the retrenched staff. The report goes further to indicate that, "for the Council to be prudent, salaries and

pensions for these staff members have been included in the Councils budget for the period beginning November 1998 to March 2000” (p19). However, the Town Clerk indicated that this indeed does not mean that should the judgment be in favour of the retrenched staff, the Council would have the money to pay them. But it is significant that this is reflected in the Council’s budget.

For the 2000/2001 financial year budget of the retrenched staff members have been included and this is because of the same reasons outlined above.

Table13 below indicates the two scenarios of what would be the position if retrenched staff were excluded and when they are included in the salaries of the Council for the financial year 2000/20001.

**Table 13: Retrenched staff**

	<b>Excluded (M)</b>	<b>Included (M)</b>	<b>Difference(M)</b>
Salary Bill 2000/2001	10,151,037	13,189,663	3,038,628
Total Emoluments	18,279,230	22,337,143	4,957,913

**Source: MCC 2000**

The Table 13 above indicates that an amount of M3,038,628 is the salary bill for the retrenched staff for 2000/2001. There is also an amount of M1,019,285 which is their salary bill for the period November 1998 to March 2000 (not indicated on the Table). These amounts add up to a total of M4,057,913 (also not included in the table) which is included in the total salary of M22,337,143. When excluding the amount of the retrenched staff, the salary bill would have been 18,279,230. If this had been the case the MCC would have had a M4,057,913 difference to carry out its duties and functions.

The problem with the 1998 retrenchments is that since a lot of qualified people in higher positions were retrenched, this left a gap in the professional field. Presently, the post of Director of Planning is an acting post and it has been like

this since the 1998 retrenchment. This is going to impact negatively on the functioning of the Council because of a lack of qualified personnel to carry out duties and functions.

Also, some positions and offices existing within the Council are not occupied and where such positions are occupied, are either filled by acting persons or persons who are not fully qualified. Efforts to find the qualifications of certain key personnel were unsuccessful. One was shunted from pillar to post but could not make any headway. One suspects, however, that many people did not qualify for the posts they held. This belief is strengthened, for instance, by the fact that their machinery e.g. graders, bulldozers, garbage disposal trucks are repaired by South African contractors, which gets the Council into very expensive costs. There is a general feeling that a great number of employees do not have the competence level required for the positions that they hold.

There is also a feeling that the high turnover and vacancy rates are the result of the following factors:

- i) low and uncompetetive salaries and compensation packages;
- ii) little or no management direction;
- iii) lack of job security and advancement;
- iv) insufficient budget; and
- v) lack of public and governmental support of the MCC in general.



**Table 14: Employee structure within the Council.**

Department	Total employees	Occupied and vacant (senior positions)	Vacant
Finance	vi) 46 employees vii) 38 employment numbers* viii) 8 daily workers	ix) City Treasurer – (Acting) No formal City Treasurer in two years. x) 3 of the 5 management positions vacant – Chief accountant, Revenue Accountant, Ass. Rev. Acc.	12 Posts vacant
Planning and Evelopment	xi) 25 employees xii) 5 employment no.	Acting Director of Planning	17 Posts vacant
Town Clerk	xiii) 19 employees in organizational chart xiv) 7 employment no. xv) 3 daily workers	xvi) There's been 5 Town Clerks in the last 7 years	2 Posts vacant
Works	xvii) 111 employees in organizational charts xviii) 18 employment no. xix) 92 daily workers		8 Posts vacant
Health and Environment	xx) 347 organizational charts xxi) 33 employment no. xxii) 189 daily workers		11 Posts vacant
Parks and Recreation	xxiii) 9 employees in organizational charts xxiv) 66 daily workers	Currently no recreation officer	12 posts vacant
Administration	xxv) 70 positions in organizational charts		3 Posts vacant

	xxvi)	31 employment numbers		
	xxvii)	11 daily workers		

\* (personal employee numbers signify permanent employees, as opposed to daily/rate workers)

Source: MCC:1995

It can be deduced from table 14 above that the MCC really does not have adequate personnel, particularly at the management positions. The Council is characterized by a high vacancy rate. The result of this is that the MCC cannot perform its duties effectively because it does not have people with the relevant expertise.

Another factor that hinders the performance of the Council, particularly the Management Committee, is the low calibre of the Councillors. The MCC is not able to attract Councillors of a higher calibre because of the low opinion that the general public has towards it. The Councillors within the MCC have a very low literacy level. The result of this is a society of Councillors who are not really committed to do the work that they are supposed to do because basically they do not have the expertise for such work. Alternatively, they use the Council as a base to enhance their political careers. This has a very negative implication for urban management in Maseru. Even in this case it became very difficult to get the data on the educational status of different Councillors.

In spite of all these serious constraints the staff within the Council have done their utmost best to fulfil their mandates. Nevertheless, their efforts have not produced the desired performance in providing services to the public.

### 5.3 Conclusions

From the analysis of this chapter, it becomes clear that the MCC has not been effectively performing its duties. A number of factors have contributed to the ineffectiveness and inefficiency of the MCC. The first one relates to the whole issue of the general altitude or perceptions of the Maseru Urban Area

population, which has a very negative attitude towards the MCC. This is the result of two factors:

- i) The fact that the MCC was established during the rule of the undemocratic BNP and Military rule. It was difficult for the population of Maseru to believe that democratic structures can be allowed to exist within an undemocratic environment.
- ii) The fact that the residents of Maseru Urban Area were never sensitized to the whole issue of democratic urban local governments structures, as a completely new phenomenon in Lesotho. The general public did not understand what the Council was going to do for them and also why they had to pay rates to it.

As a result of these two factors, the general public of the Maseru Urban Area became very suspicious of the Council and were reluctant to pay rates to it. This suspicion is evidenced by the low polls in the 1989 and subsequent elections.

The second factor that has contributed to the ineffectiveness of the MCC is the fact that the Government of Lesotho did not show any serious commitment towards the creation of democratic local government structures in Lesotho. It has been indicated that the government only allowed the establishment of the MCC because of the pressure from the World Bank. This is evidenced by the following factors:

- i) The fact that once established, government was reluctant to give the MCC powers to execute some of the duties and functions it had;
- ii) Central Government has been reluctant to transfer adequate resources into the Councils coffers; and
- iii) The fact that Central Government has never shown any political will to try and get the residents of Maseru to pay their rates.

The third factor that contributes to the ineffectiveness of the Council is a very limited resource base on which it depends. Reflecting on the financial

statements of the MCC one realizes that it always collects monies lower than its budget, yet it has a very wide range of services to perform.

Fourthly, the MCC does not have adequate personnel, particularly in management positions to carry out the duties and functions of the Council; and the Council is characterized by a very high vacancy and staff turnover rate.

Lastly, the failure of the MCC's UGA 1983 to clearly state and define the division of responsibilities between central government and the Local Government causes a strain in the relationships between the two tiers.

It is due to the above-mentioned factors that one could say the MCC is failing in its task as an urban manager. Numerous efforts will have to be undertaken by the government of Lesotho at the MCC reform if the MCC is to become a fully-fledged local authority with powers to make its decisions. Various efforts have to be made to enhance the status of the MCC to that of a self-sufficient local authority with full potential to carry out its duties.

## **CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS**

### **6.0 Introduction**

The purpose of this chapter is to evaluate the key arguments, to draw conclusions and to advance recommendations. The chapter is divided into two parts. The first part shall provide the general conclusions of the dissertation, while the second part outlines recommendations that will help the MCC become a better performing urban local government.

### **6.1 General Conclusions**

From the preceding discussions it has been realized that local governments in both Anglophone and Francophone Africa have been responsible for the administration of urban services before these African countries attained their independence.

However, these local authorities have not been performing efficiently and effectively, particularly during the period immediately following independence. They have been characterized by the absence of popular trust, lack of accountability, weak institutional capacities and extremely poor delivery records.

It had been expected that during the post independence era a more decentralized system of local government would emerge that would take into account the needs and wishes of the local people, as well as give local governments political and fiscal autonomy for them to efficiently carry out their duties and functions. However, this did not take place. What emerged instead was very centralized control, and the political and fiscal resources of local government were progressively restricted by central government. Local governments were not capable of raising financial resources in order to perform their duties and as a result were highly dependent on central government.

Another factor that has contributed to the crisis of local government is the whole issue of the unsatisfactory relationships between local governments and central governments. Stren (1992) has indicated that the performance of local governments in most developing countries is often hindered by the insufficient support that they get from central governments.

Thirdly, most African countries, particularly in the late 1970s to the early 1980s, had declining economies. Oil rich countries such as Nigeria and Ivory Coast had a negative balance of payments and increased debt. As a result, central governments in these countries have been forced to adopt various forms of structural adjustment programs, such as cutting back grants to urban councils (Stren, 1992).

As a result of this crisis of local government, in the 1980's the World Bank saw urban management as a response to the problems of local government African cities. This has been primarily due to the fact that, the urban management approach stresses the importance of strengthening local government, the importance of achieving a balance between central government and local government and furthermore, the urban management approach stresses the importance of decentralization through giving local governments discretionary powers to prioritize, plan and implement its projects and have control on its local revenue (UNCHS, 1996).

The urban management approach does not see only central governments and local governments as responsible for the administration and delivery of urban services, but according to this approach it is also the responsibility of other stakeholders such as private sector agencies, NGO's, CBO's and other interest groups. However, the extent to which these are involved is different from one country to another (Wekwete, 1997).

In Lesotho, like in many other Anglophone countries, there have been numerous attempts at decentralization particularly in the period following independence but it has mainly been deconcentration. Like many other states in Africa, Lesotho also experienced high levels of centralization during the post independence era, and politics have indeed played a very crucial role in the evolution of local government in Lesotho (Mapetla and Rembe, 1989).

It was only in 1983 that the government of Lesotho decided to experiment with decentralization through devolution when it introduced the UGA of 1983. With the introduction of this Act, Lesotho had its first legal framework for the creation and functioning of local governments. There was a reluctance to put democratic local government structures in place in Lesotho, as the ruling BNP saw them as a threat to it and a source of strength and power to the opposition BCP, particularly in the urban areas.

Even though the Act was enacted as early as 1983, the MCC only came into being six years later in 1989. The MCC came into being during the rule of the military regime that had seized power from the BNP three years earlier. However, even the military never showed any firm commitment to the creation of democratic urban local government structures and as Leduka (1995:9) puts it;

“...there is every reason to believe that the World Bank as the major sponsor of various urban development projects in Lesotho, did exert pressure after government had failed to honour numerous deadlines for establishing the authority”.

Since its inception, the MCC has experienced a very troubled history because central government never showed any serious commitment to the creation of this structure. Secondly, the MCC never became popular amongst the residents of Maseru and this is because from the onset there was never any public consultation to try and sensitize the residents of the city about urban local

government which was a completely new concept. Another factor that resulted in the MCC being so unpopular is the fact that it was introduced during the military rule. The people of Maseru could not believe that democratic structures could be allowed to exist within an undemocratic environment. The unpopularity of the MCC to the residents of Maseru is evidenced by the poor polls in the 1989 and subsequent elections.

All these factor have had very negative implications for the MCC and have adversely affected its performance. Firstly, the MCC became an urban local authority with very minimal powers, functions and duties. For instance, the MCC does not provide vital services that other local governments provide in other countries such as water, electricity, building of schools, etc – and this has led to the erosion of the authority of the MCC. Secondly, central government has never in the history of the MCC transferred adequate resources to the Council in order for it to effectively carry out its duties and functions. Yet the Council is expected to perform a wide range of duties which its budget cannot sustain. Thirdly, because the council is so unpopular, the residents of Maseru feel very reluctant to pay property rates to it which were supposed to be Council's highest source of income.

All these problems further perpetuate the problems of the MCC. As the result, the Council does not have adequate resources to carry out its duties and functions, roads in most cases are pot-holed, storm-water drains are blocked. Refuse in the town of Maseru is left uncollected leading to unhealthy conditions.

However, to date no attempts have been made to try and improve the status of the Council by the central government. One hopes that with the introduction of the new local government structures as proposed by the now ruling LCD government, under the Local Government Act of 1996, urban local authorities will be given more power and authority to effectively carry out their duties and functions.



Presently, urban management in Maseru is the sole responsibility of the public sector. The public private sector model of urban management is not yet in place. It would be desirable that the private sector is encouraged to participate in urban management because in situations where the MCC does not have the resources to provide the services the private sector would take over.

Furthermore, the MCC is still very far from attaining the highly sought after status of local governments as bodies that can be empowered to stimulate private investment and implement national development plans and also to create local employment opportunities.

## **6.2 Recommendations**

Numerous attempts have to be made in order to turn the MCC into a fully-fledged local authority with powers to make decisions and carry out its duties and functions efficiently.

### **(a) Local Perceptions**

Firstly, the perceptions and attitudes of the general public of Maseru have to change towards the MCC. Government should hold meetings in different constituencies of the MCC as a way of trying to sensitize the people about the whole concept of democratic urban local government structures. Government should educate people regarding how they can hope to benefit from such a structure and, most importantly, to educate the public about the significance of paying property rates to the Council. The changed attitudes might yield some positive benefits in that people should then see the significance of paying rates to the Council which should improve the functioning of the MCC.

**(b) The Legal Framework**

It is also recommended here that, the UGA of 1983 be repealed and replaced with a piece of legislation that is most suited to the conditions of Lesotho. One should hope at this point that the Local Government Act of 1996 is going to be such an Act. Such an Act should spell out clearly the powers and functions of the Town Clerk as well as those of the Management Committee. By so doing conflict between the different role players can be avoided.

**(c) Lack of financial resources**

The MCC is expected to perform a wide range of services with a very limited budget.

- **Central Government Transfers**

The UGA does not clearly indicate how central government should finance the MCC and as the result of this Central government has never transferred adequate funds to the MCC. The recommendation here is that the UGA or any other Act that might take the place of the UGA of 1983, should clearly state how and how much the Central Government is supposed to transfer to the MCC annually. In this way, a situation where the government transfers whatever it wishes to give and not what it has to give will be avoided.

- **Poor tax base**

The central government should delegate the revenue collection powers to the MCC. This will solve the problems of the MCC is of lack of finances.

- **Poor collection of property rates**

In order for the Council to effectively collect rates, over and above the issue that the general public of Maseru be sensitized about paying property rates, it is recommended that the MCC establishes a rate valuation and collection office that shall be headed by a senior valuation officer. Furthermore, a rate Collection Office be formed that will help the MCC in situations where there are defaulters.

**(d) Institutional Capacity**

It has been indicated that the MCC is characterized by a high vacancy rate and a high turnover of key officials. In order for the Council to build capacity it should do the following:

- **Training**

The Council should undertake a skills inventory and a performance appraisal in order to determine the level of competence of the staff and identify the major needs in order to determine the relevant training and manpower development needs.

- **Staff retention**

The Council should try and improve its salaries, compensations and other employment benefits so that they are at par with those in the private sector. The Council will then be able to both attract and retain qualified personnel.

- **Creation of permanent posts**

It is also recommended that all the acting posts be converted into permanent posts that are pensionable with full benefits. Also, Council should try and fill all the vacant positions in the Council as this will improve the performance of the Council.

In conclusion therefore, it is recommended that the MCC in conjunction with the Central Government of Lesotho, take heed of the recommendations made above and implement them in order to transform the MCC into a better functioning and efficient urban local government.





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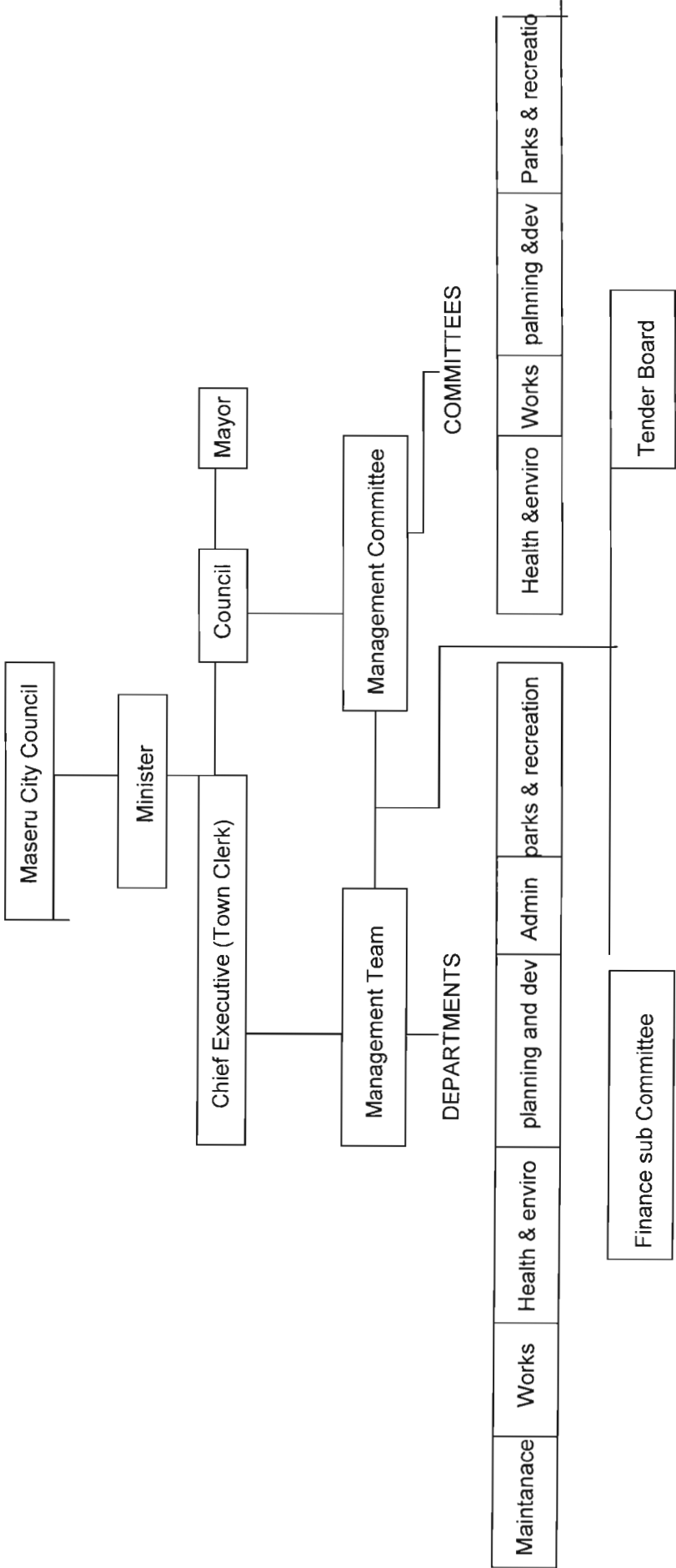
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Annexures

Annexure 1: The Structure of the MCC



## Annexure 2 : The Interview Schedule (Guiding questions)

### Central-local relations and local autonomy

- iv) What are the relationships between central government and local government (MCC)?
- v) Do such relationships hamper or promote the effectiveness of the MCC?
- vi) In what way? Please provide some of the encounters between central government and local government – whether political, economic or otherwise?
- vii) In your opinion does the MCC have enough autonomy? Political or legal autonomy? Does it have powers to make its own decisions?
- viii) If not, why do you think it does not have autonomy?
- ix) How does lack of autonomy impact on the effectiveness of the MCC?
- x) In what areas should it be given more autonomy?
- xi) How are greater levels of autonomy going to assist?
- xii) How would you explain the general attitudes of central government to local government and vice versa?

### Council finance

- xiii) What are the Councils sources of finance
- xiv) Are these adequate for council to carry out all its duties?
- xv) If inadequate, why are they not sufficient, and how does this impact on the effectiveness of the Council?

- xvi) Does the Council have the powers to generate its own finances?
- xvii) How effective is the general public of Maseru paying rates for their properties?
- xviii) How has the Council's budget been changing over the years – positively or negatively (check financial statement)?
- xix) In your opinion what could be done in order to solve Council's financial constraints?

### **Functions and duties**

Schedules 1,2 and 3 of the Urban Government Act of 1983 lists the duties and functions of the Council as follows;

- xx) Does the Council perform all its duties and functions as stated in the schedules?
- xxi) If not, which services does it perform and which does it not perform?
- xxii) Why does it not perform all the duties as indicated in the schedules?
- xxiii) Which other agencies deliver services that the Council does not provide?
- xxiv) Would you say the Council is efficient in service delivery or not? If not, why?
- xxv) What are the factors that hamper its effectiveness?

### **Manpower capacity**

- xxvi) Does the Council have adequate qualified personnel to effectively carry out its duties and functions? If not why?
- xxvii) Particularly in which areas is there a shortage?
- xxviii) Does the Council employ its own staff?