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**GLOBALISATION AND ITS IMPACT ON THE
GOVERNANCE OF LOCAL AUTHORITIES: A
CASE STUDY OF THE eTHEKWINI
MUNICIPALITY**

By

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PROMOTER

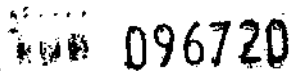
Professor S. Moodley

September 2004

DECLARATION

I hereby declare that except where acknowledged, this research is entirely my own work, that all sources used or quoted have been acknowledged and that this thesis has not previously been submitted for a degree or diploma at any other tertiary educational institution.





Prem (Diggers) Ramlachan

Reg. No.: 8320705

DEDICATED TO

MY PARENTS

MY BROTHERS

MY SISTER OMA DEVI AND NEPHEW, AKSHAY

MY EXTENDED FAMILY

MY WIFE MOLLY, AND

MY TWO SONS, NIKHIL AND RUVAL

MY SISTER-IN-LAW VERONE, CHILDREN, KIOSHA AND TARIKA

PRAYER TO MY MASTER

A number of people say true happiness can only come from knowing oneself. We may already have all the tools we need for happiness and success. We just need to know where to look for them – and that place may be closer than we think. The peace we look for is within us. We try to live our lives by reason and logic, but there is more. We don't have to reason everything; we are able to feel. Peace is a feeling; it is inside of us, and it needs to be felt.

GURU MAHARAJI

PRAYER TO THE LORD

Every thought of my mind, every emotion of my heart, every movement of my being, every feeling and every sensation, each cell of my body, each drop of my blood – all, all is yours, yours absolutely, yours without any reserve. You can decide my life or my death, my happiness or my sorrow, my pleasure or my pain. Whatever you do with me, whatever comes to me from you, will lead me to the Divine Rapture.

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.....
Prem (Diggers) Ramlachan
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TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION AND STRUCTURE OF THE STUDY

1.1	INTRODUCTION	1
1.2	BACKGROUND OF THE STUDY	2
1.3	NEED FOR THE STUDY	4
1.4	OBJECTIVES OF THE STUDY	5
1.5	JUSTIFICATION FOR THE STUDY	6
1.6	KEY RESEARCH QUESTIONS	7
1.7	RESEARCH METHODOLOGY	7
1.7.1	Theoretical Search	7
1.7.2	Empirical Surveys	7
1.7.3	Data Interpretation	8
1.8	LIMITATIONS OF THE STUDY	8
1.9	OVERVIEW OF CHAPTERS	8
1.10	DEFINITION OF TERMS	10
1.10.1	Globalisation	10
1.10.2	Governance	12
1.10.3	Local Government	14
1.10.4	Local Governance	15
1.10.5	Public Administration	15
1.10.6	Local Authority	15
1.10.7	Global Cities	16
1.10.8	Municipal Administration	16
1.10.9	Metropolis and Metropolitan Area	17
1.11	eTHEKWINI METROPOLITAN AREA	17
1.12	SUMMARY	19

CHAPTER 2: A CONCEPTUAL FRAMEWORK OF THE STUDY

2.1	INTRODUCTION	21
2.2	CO-OPERATIVE GOVERNMENT	22
2.3	CO-OPERATIVE GOVERNANCE	22

2.3.1	National Government	24
2.3.2	Regional Government	24
2.3.3	Local Government	25
2.4	DISTINCTIVENESS OF PUBLIC ADMINISTRATION	26
2.4.1	Definition of Public Administration	26
2.4.2	Public Administration Approaches	26
2.4.2.1	Traditional Approach	27
2.4.2.1.1	Generic Administrative Activities	30
2.4.2.1.2	Auxiliary and Instrumental Functions	34
2.4.2.1.3	Functional Activities or Line Activities	35
2.4.2.1.4	Criticisms of Cloete's Approach	35
2.4.2.2	Innovative Approach	37
2.4.2.2.1	Public Management Environment	42
2.4.2.3	Global Approach	47
2.4.2.4	An Adaptation of The Cloete-Schwella Approach	49
2.4.2.5	Normative Guidelines Of Public Administration	53
2.4.2.6	Distinctiveness of Local Government Governance	56
2.4.2.6.1	Characteristics of Good Governance	57
2.4.2.6.2	Restructuring Local Government towards Local Governance	58
2.5	SUMMARY	58

CHAPTER 3: GLOBALISATION : THEORY AND PRACTICE

3.1	INTRODUCTION	60
3.2	DEFINITION OF GLOBALISATION	61
3.3	GLOBAL TRENDS	61
3.4	GLOBALISATION THEORIES	62
3.4.1	The Hyperglobalist Thesis	64
3.4.2	The Sceptics Position	65
3.4.3	The Transformationalists	66
3.4.4	Globalisation Strategies	68
3.5	OUTCOMES OF GLOBALISATION	69

3.6	HOW GLOBALISATION IMPACTS ON PUBLIC ADMINISTRATION	70
3.6.1	Polymaking and implementation	70
3.6.2	Planning	72
3.6.3	Organising	73
3.6.4	Leadership	74
3.6.5	Efficiency and Effectiveness	75
3.6.6	Training and Development	75
3.7	GLOBALISATION – INTERNATIONAL PERSPECTIVES	76
3.7.1	North - South Relations	77
3.7.2	Developed /Least Developed Countries	79
3.7.3	Oil Exporting Countries	81
3.8	GLOBALISATION – REGIONAL PERSPECTIVE – AFRICA	81
3.8.1	The ‘African Century’	83
3.8.1.1	The Future of the Global Economy within Regionalism	84
3.8.1.2	The Launch of the African Union.	85
3.8.1.3	The Vision of the African Union	85
3.8.1.4	Aims of the African Union	86
3.8.1.5	The New Partnership for Africa’s Development	87
3.8.2	Studies of Selected Countries in Africa	88
3.8.2.1	Ghana	89
3.8.2.2	Zimbabwe	90
3.8.2.3	Zambia	90
3.9	GLOBALISATION – NATIONAL PERSPECTIVES – SOUTH AFRICA	92
3.9.1	Role of South Africa within the International Community	92
3.9.2	South African Development Community	93
3.9.3	Role of South Africa within Africa	94
3.9.4	Globalisation – A South African Perspective	95
3.9.4.1	Outcomes of the World Summit on Sustainable Development	99

3.9.5	South African Local Authorities: Unicity Concept	101
3.10	SUMMARY	102

CHAPTER 4: GLOBALISATION : A LOCAL GOVERNMENT PERSPECTIVE OF THE eTHEKWINI MUNICIPALITY

4.1	INTRODUCTION	103
4.2	GLOBALISATION AND THE eTHEKWINI MUNICIPAL AREA	104
4.2.1.1	Metropolitan eThekwini Conceptualised	105
4.2.1.2	Political and Management Structure	105
4.2.1.3	Transformation–Overview of the New eThekwini Municipal Area	106
4.2.1.4	Physical Characteristics	107
4.2.1.5	The People	108
4.2.1.6	The Economy	108
4.2.1.7	The Socio-Spatial Environment	109
4.2.1.8	The Financial Environment	110
4.2.1.9	New Approach to Governance	111
4.2.2.	The Vision for the eThekwini Municipality	112
4.2.2.1	Key Long Term City Strategies : Making the Long Term Development Framework Happen	113
4.2.2.2	Critical Development Challenges	115
4.2.2.2.1	Economic Growth and Job Creation	115
4.2.2.2.2	Meeting Basic Needs	115
4.2.2.2.3	Alleviating Poverty	116
4.2.2.2.4	Developing our People	116
4.2.2.2.5	Ensuring a Safe and Secure Environment	117
4.2.2.2.6	eThekwini Metropolitan Area and the Unicity Concept	118
4.3	REORGANISING THE ADMINISTRATION	121
4.3.1	International Best Practice Lessons for the eThekwini Municipality	122
4.3.2	Change, Reform and its Management	122
4.3.3	Improving Efficiency, Effectiveness and Economy	123
4.3.4	Public Accountability	123
4.3.5	Definition and Separation of Roles	124

4.3.6	Determining Institutional forms of Delivery	125
4.3.7	Benchmarking, Outsourcing and Competitive Tendering	125
4.4	THE WAY FORWARD	126
4.4.1	South African Constitutional Requirement	127
4.4.2	Global Context	127
4.4.3	South African Strategic Direction	127
4.5	REPORTING LINES	128
4.6	MUNICIPAL MANAGER'S OFFICE	130
4.6.1	Strategic Management Team	130
4.6.2	Executive Team	131
4.6.3	Process	131
4.7	SUMMARY	134
 CHAPTER 5: RESEARCH METHODOLOGY		
5.1	INTRODUCTION	136
5.2	RESEARCH	136
5.2.1	Quantitative and Qualitative Research	137
5.2.1.1	Quantitative Research	137
5.2.1.2	Qualitative Research	138
5.2.2	Importance of Research	139
5.3	HYPOTHESES	140
5.4	THE OBJECTIVES OF THE STUDY	141
5.5	SAMPLING TECHNIQUES AND DESCRIPTION OF SAMPLE	141
5.6	RESEARCH INSTRUMENT	142
5.7	PURPOSE AND DESCRIPTION OF THE QUESTIONNAIRE	143
5.8	ADMINISTRATION OF THE QUESTIONNAIRE	146
5.9	STATISTICAL ANALYSIS OF DATA	147
5.10	DESCRIPTIVE STATISTICS	147
5.10.1	Frequency	147
5.10.2	Measures of Central Tendency	148
5.10.3	Mean	148
5.10.4	Measures of Dispersion	148

5.10.5	Standard Deviation	149
5.11	INFERENTIAL STATISTICS	149
5.11.1	Chi-square Analysis	149
5.11.2	Spearman Correlation	150
5.12	QUANTITATIVE ANALYSES OF DATA	150
5.13	SUMMARY	151

CHAPTER 6 : EMPIRICAL SURVEY: RESEARCH ANALYSIS AND DISCUSSION

6.1	INTRODUCTION	152
6.2	QUESTIONNAIRES	153
	HYPOTHESIS 1: UNDERSTANDING GLOBALISATION	153
6.2.1	To determine whether Globalisation is positive and good for South Africa	153
6.2.2	To ascertain whether Globalisation has negative impacts for South Africa	155
	HYPOTHESIS 2: POLICY	157
6.2.3	Globalisation impacts on policy issues on the political environments with local government such as policy implementation, political systems and demands.	157
6.2.4	Globalisation impacts on policy issues in the economic environment within local government such as poverty and underdevelopment.	159
	HYPOTHESIS 3: PLANNING	161
6.2.5	To effectively address Globalisation, the planning process needs to be put in place within the local government institutional organization.	162
6.2.6	Strategic planning at a local level of government should include staff exchanges, secondments, short and long term contracts for shared understanding of respective policy systems and frameworks.	163

6.2.7	Most developing countries at local government (specifically to the unicity) lack the infrastructure, service delivery networks, capacity, experience, expertise and resources to participate in and influence the process of Globalisation which largely impacts on planning.	165
6.2.8	To assess whether local government should use highly effective public private partnerships and alliances to meet the impact of domestic, regional and global governance.	167
	HYPOTHESIS 4: ORGANIZING	168
6.2.9	Delegation of authority, coordination, channels of communication and division of work are key to the process of Globalisation at the local level of government.	168
6.2.10	Cultural diversity is not a mere remnant, but is and will remain, a feature of social life however advanced Globalisation may become in other spheres.	170
6.2.11	Significant agreements in social communications activities with foreign countries, especially establishing formal relationships with international, regional (SADC) and local authorities is paramount for mutual benefit	171
6.2.12	Information technology has enhanced the capacity of local government especially global cities to interact effectively with the outside world, thereby promoting managerial efficiency.	172
6.2.13	South Africa needs a Globalisation committee which encompasses the 3 spheres of government in order to keep abreast of Globalisation issues that have an impact on South Africa.	173
	HYPOTHESIS 5: LEADERSHIP	175
6.2.14	One would like to see in local government the emergence of a uniquely South African organization and leadership culture that recognizes the values and skills inherent in our cultural diversity. Our differences of approach should be viewed as a unique competitive advantage that improves the quality of decision making	175

6.2.15	Globalisation impacts on policy issues in the social environment within the local government such as basic services and the quality of life.	176
6.2.16	The current leadership at local government level has suitable knowledge and leadership skills to drive the Globalisation process and deal with global issues.	178
6.2.17	NEPAD (New Partnership for Africa's Development) is a pledge by African leaders, based on common vision with a firm and shared conviction, that they have a pressing duty to eradicate poverty and underdevelopment by placing their countries, both individually and collectively, on a path of sustainable growth and development, and at the same time to participate actively in the world economy and the body politic.	179
6.2.18	To evaluate Globalisation and its impact on governance of the eThekweni Municipality	180
	HYPOTHESIS 6: TRAINING AND DEVELOPMENT	181
6.2.19	The purpose of training is to help employees improve their capacities to contribute towards organizational effectiveness. Training in local government assists in developing the professional capacities of public servants (to promote institutional change, enhance their pursuit of their vision and mission and improve international negotiations).	181
6.2.20	The local municipal sector requires the knowledge, skills and capacity of academics and practitioners in shaping the Globalisation policy.	183
	HYPOTHESIS 7: CONTROL	184
6.2.21	Developed countries, at a local sphere of government are much more in control of the Globalisation process and stand to gain from it.	184
6.2.22	Developing countries will have a lesser form of control, because they lack the resources, infrastructure and capacity and would gain less from the Globalisation process.	186
6.2.23	Organizations should monitor and control specific Globalisation activities or projects at a local level of government.	187

6.2.24	Global benchmarking mechanisms should be used to monitor and control global activities at a municipal level.	188
6.2.25	Best practices of global cities (like Toronto, Wellington, Melbourne, Rome and Paris) could be emulated and compared for implementation by eThekweni Municipality as a benchmark.	190
6.3	OVERALL OBSERVATION OF CORE THEMES	191
6.3.1	Relationships Between The Themes – Spearman’s Correlation	200
6.4	SUMMARY	202

CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

7.1	INTRODUCTION	203
7.2	CONCLUSIONS	204
7.3	RECOMMENDATIONS	209
7.4	SUMMARY	218

BIBLIOGRAPHY

PUBLISHED SOURCES

1.1	BOOKS	219
1.2	JOURNALS AND PERIODICALS	221
1.3	OFFICIAL DOCUMENTS	222
1.4	NEWSPAPERS	223
2.	UNPUBLISHED SOURCES	223
2.1	DISSERTATIONS	223
2.2	REPORTS	223
3.	INTERNET	224
4.	ACTS OF PARLIAMENT	224

LIST OF TABLES AND FIGURES

TABLES

1.	Table 3.1	61
2.	Table 6.1	190
3.	Table 6.2	198

FIGURES

1. eThekweni Metropolitan Area	18
2. Model of Public Administration adapted from Cloete - Schwella's Public Management Model	28
3. Schwella's Public Management Model	39
4. Cloete-Schwella Approach Adapted	48
5. Reporting lines of eThekweni Administration	127
6. Office of Municipal Manager	130
6.1 Merits of Globalisation within eThekweni Municipality	151
6.2 Negative Impacts of Globalisation within the eThekweni Municipality	153
6.3 Impact of Globalisation on the political environment	155
6.4 Impact of Globalisation on the economic environment	158
6.5 Planning process within the local government institutional organization	160
6.6 Exchanges and shared understanding of respective policy systems and frameworks	162
6.7 Developing countries lack the infrastructure to participate in and influence the process of Globalisation	163
6.8 Effective public private partnerships will sustain the impact of all spheres of governance	165
6.9 Delegation of authority are some of the keys to the process of Globalisation at the local level of government	167
6.10 Cultural Diversity is a feature of social life	168
6.11 Agreements that are paramount for mutual benefit between local authorities	169
6.12 Information technology enhancing the capacity of global cities to promote managerial efficiency	170

6.13	Need for Globalisation Committee to keep abreast of Globalisation issues	172
6.14	Cultural diversity seen as a unique competitive advantage that improves the quality of decision making and leadership	173
6.15	Impact of Globalisation on the social environment	175
6.16	The leadership at local government level possesses the skills to deal with global issues	176
6.17	With the shared conviction, NEPAD would make a marked difference in the livelihood patterns of the disadvantaged	177
6.18	Globalisations impact on governance of eThekwin Municipality	178
6.19	Training improves the capacities of employees to contribute towards organizational effectiveness	180
6.20	Skills and competencies of academics and practitioners in shaping the Globalisation policy	181
6.21	Developed countries are more in control and stand to gain from the Globalisation process	183
6.22	Developing countries lack resources and would gain less from the Globalisation process	184
6.23	Monitoring and control of specific projects at local level of government	186
6.24	Global benchmarking mechanisms used to monitor global activities	187
6.25	Best practices emulated and implemented by eThekwin Municipality	188
	APPENDICES	223

SYNOPSIS

This study focuses on globalisation and its impact on the governance of local authorities, with particular reference to the eThekweni Municipality.

The research is topical and relevant to the times. Currently, local government and administration in South Africa is undergoing restructuring and transformation in accordance with key national policies and recent legislative mandates. The restructuring of local government has been driven by the process of democratization and re-distribution. This drive has changed local government boundaries, introduced new structures and systems and re-orientated planning and the general environment. This phase in the transformation represents a fresh and final opportunity for local government to transform itself in a manner that will achieve sustainable and a developmental local government that will improve the quality of life of all South Africans economically, politically, socially, culturally and technologically.

New conceptual frameworks, and new ways of dealing with problems and challenges have been introduced and the process of giving effect to the changes is bound to continue for some time into the foreseeable future. As South Africa confronts critical domestic challenges of economic growth and job creation, meeting basic needs, alleviating poverty, developing its people and ensuring a safe and secure environment, it continues to deliberate in international forums such as Southern African Development Community (SADC) and New Partnership on Africa's Development (NEPAD), and perform other global responsibilities.

Globalisation is commonly portrayed as a multi-faceted phenomenon with trends in trade, technology, international capital movements and multi-national organizations all moving towards the creation of a new autonomous and homogenous global economic realm. In simple terms it demands that trends being developed by Local

Government keep abreast of what is happening in other countries throughout the World.

Globalisation has brought into sharp focus the rapidly evolving functions of “regionalisation” in the World. The ease with which goods, services and finances are sourced has impacted on how the world operates. On a negative level, it has resulted in growing inequalities and polarization between more localities and regions that are able to engage and compete within the global economy and those who are unable to.

Within the current political framework in South Africa’s core principles, basic systems, and procedures are designed to encourage and facilitate community participation and strengthen local governance, management and development. This would allow for progressive steps towards social and economic upliftment of communities as envisaged in the White Paper on Local Government. Good governance and democracy are essential to ensure maximum participation and ownership of the decision making process at the local level. Moreover, key pillars of the strategy at the eThekweni Municipality are meeting basic needs, strengthening the economy and building skills and improving technology.

In local government the emergence of a uniquely South African organization and leadership culture that recognizes the values and skills inherent in our cultural diversity is fundamental in sustaining the trends of globalisation. This holistic differences in approach should be viewed as a unique competitive advantage that improves the quality of decisionmaking.

This study recognizes that South Africa needs to participate positively within the global community as a key player while addressing a multitude of domestic challenges.

The study was conceptualized within a framework of globalisation and its fit into the paradigm of local governance. It also focuses on the traditional, innovative and global

approaches to public administration and focuses on the impact and relevance to globalisation. The positive and negative implications of globalisation are highlighted and recommendations are made on the basis that South Africa and more particularly the eThekweni Municipality cannot ignore globalisation. Globalisation is here to stay and South Africa must play its role within the global context.

The study attempts to bridge the gap between theory and practice of globalisation. As South Africa deliberates within the African Union and embarks on the New Partnership for Africa's Development (NEPAD) while confronting domestic challenges, it also has to perform global responsibilities.

The research instruments and techniques used in this study consisted of theoretical search, empirical survey and data interpretation. The empirical survey captures the understanding of globalisation, responses within the core themes of each hypotheses, overall objectives and relationship between core themes. Descriptive and inferential statistical techniques were used.

The study proposes and makes valuable recommendations for globalisation and its impact on the governance of local authorities. For the eThekweni Municipality to conform to these domestic and global trends the following recommendations should be considered:

- Embrace globalisation as a fact and view it as a challenge for Africa.
- Develop effective public-private partnerships, which will sustain the impact of local governance.
- Enhance information technology, knowledge, skills and competencies.
- Develop regional agreements for local and global cities.
- Provide training to improve capacities to contribute towards organizational effectiveness.
- To make the global economy more sustainable and inclusive in the developing countries.

- Develop local leadership to meet the globalisation challenge.
- Institute structural and institutional adjustment for developmental local government.
- The eThekweni Municipality must emulate best practices of global cities.
- Establish globalisation committee to keep abreast of the globalisation issues.
- Use cultural diversity to improve the quality of decision-making.
- Although the eThekweni has a generally well-developed infrastructural system, it is largely concentrated within the urban core and its principal development corridors. This system needs to be extended, maintained and upgraded if the core and periphery areas of eThekweni are to become integrated, support internationally competitive partners and attract new alliances.
- Twinning of cities is an important measure to monitor global trends and alliances.
- Further research and studies into the trends and influences of globalisation as applied with local authorities needs to be undertaken.

LIST OF ACRONYMS AND ABBREVIATIONS

AIDS	-	Acquired Immune Deficiency Syndrome
ASEAN	-	Association of South East Asian Nations
AU	-	African Union
CBD	-	Central Business District
CLGF	-	Commonwealth Local Government Forum
COSATU	-	Congress of South African Trade Unions
DMLC	-	Durban Metropolitan Local Council
EC	-	European Community
ECOWAS	-	Economic Community of West African States
EMA	-	eThekweni Municipal Area
EU	-	European Union
FEDUSA	-	Federation of Democratic Union of South Africa
GDP	-	Gross Domestic Product
GEAR	-	Growth Employment and Redistribution
GNP	-	Gross National Product
HIV	-	Human Immunodeficiency Virus
IDP	-	Integrated Development Plan
IMATU	-	Integrated Municipal Association of Trade Unions
IMF	-	International Monetary Fund
LDC	-	Least Developed Countries
LTDF	-	Long Term Development Framework
NACTU	-	National Council of Trade Unions
NALEDI	-	National Labour Economic Development Institute
NAM	-	Non-Aligned Movement
NAFTA	-	North Atlantic Free Trade Agreement
NEPAD	-	New Partnership On Africa's Development
OAU	-	Organization of African Unity
OECD	-	Organization for Economic Co-operation and Development

OPEC	-	Organization of Petroleum Exporting Countries
SADC	-	Southern African Development Community
UAE	-	United Arab Emirates
UNESCO	-	United Nations Economic, Scientific and Cultural Organization
UNO	-	United Nations Organization
USA	-	United States of America
WB	-	World Bank
WHO	-	World Health Organization
WCAR	-	World Conference Against Racism
WSSD	-	World Summit on Sustainable Development

CHAPTER 1

INTRODUCTION AND STRUCTURE OF THE STUDY

1.1 INTRODUCTION

Globalisation is changing the context in which governments operate. The globalisation of financial markets is just one aspect of this changed environment. The challenge to policy makers is made more acute by the proliferation of this global multi-connectedness in areas such as communications, population movements, products, service markets and even crime. Domestic issues are increasingly affected by varying degrees of globalisation. Within this context national governments have difficulty to control - either individually or collectively, this impact has evoked fears on national policy autonomy or even national sovereignty is being undermined (Organization for Economic Co-operation and Development 1997:5). Should governments be worried? It's a question that politicians and analysts from multi-faceted disciplines are grappling with.

A plethora of issues from arms control, ozone depletion, drugs, currency crises, hunger, human rights and AIDS abound on the global political agenda. World politics can no longer be pictured just as foreign relations amongst governments. It is now a complex cobweb of political interactions, economic transactions, transnational corporations and international resistance movements such as Greenpeace. Globalisation provides a fascinating intersection of politics, economics and is a subject that is centre stage in the

contemporary global world. Therefore the impact of globalisation on local government in South Africa is a topical issue.

1.2 BACKGROUND OF THE STUDY

South Africa is a young democracy which, despite present domestic and international challenges, has made tremendous strides in establishing itself as a global player. Within the South African context, globalisation will provide many challenges and opportunities where strategies, tactics and alliances would have to be explored to meet the impact of domestic and global governance (Ballard & Schwella 2000:737).

Globalisation is a continuous process and will have specific implications for South African local government because of its international trends and influences. It is believed that globalisation could facilitate economic and social upliftment in communities served by local government. Local government has the capacity and expertise to actualize these benefits of globalisation (Integrated Development Plan 2002:10).

The Long Term Development Framework (LTDF) within the eThekweni Municipality outlines the strategic parameters to realize over time, the 20/20 vision. This new approach to governance is about overhauling old mindsets, assumptions, policies, systems of measurement and organizational behaviour. The restructuring of the eThekweni Municipality, the appointment of the municipal executive and adoption of the Integrated Development Plan within the LTDF has ignited new thinking around globalisation.

The focus of eThekweni Municipality is therefore on citizens playing a facilitative role for themselves, with local government providing all the support to make this process happen. Not only is this approach more effective in the context of scarce resources, but it has the support of citizens and civil society to work in partnership with local government to make it happen.

Globalisation is defined as a *trend that indicates an increased awareness of the world as a singular place* Liebenberg & Schwella (1997:27). Similarly Streeten (1999:61) states that it is *the power to act instantaneously at a distance*.

Globalisation is the forging of a multiplicity of linkages and interconnections between the states and societies which make up modern world system. It is a process by which events and activities in one part of the world can come to have significant consequence for individuals and communities in quite distant parts of the globe (McGrew 1992:262).

In short, this global multi-connectedness has impacted on both the developing and the developed world. In order for the developing world to sustain this fast - growing phenomenon, they would have to review their policies and adapt measures to meet globalisation challenges.

The challenges of globalisation facing the eThekweni Municipality force it to readjust its stance to meet the impact and profound effect of how communities

need to steer themselves to ensure a good quality of life which is the thrust for need for this study.

1.3 NEED FOR THE STUDY

Literature on globalisation was extracted from the internet, books and journals. In literature there was a paucity of information on globalisation, especially at local government. This paucity of literature and study of this magnitude on local government clearly reflects that there is a growing impact on government and governance, in particular local government and eThekweni Municipality.

Against the backdrop of ensuring a good quality of life, this research study focuses on the impact of globalisation on governance of the eThekweni Municipality which has become critical for the following reasons:

- Globalisation has an effect on all spheres of government. The local government sphere must create an environment that ensures effective, efficient and sustainable service delivery, at the same time ensuring that the local economy continues to grow to create wealth and prosperity for all.
- Within this international trend, South African local authorities have to deal with changes from their recent political past and global developments which impact on their current and immediate future.
- The Unicity concept is in keeping with the local government restructuring which focuses on the growing impact of globalisation within the local context, with emphasis being on governance, strategic leadership and partnership relations.

In view of the foregoing discussion, this study intends to focus on the need for the research study, given the constraints and limitations inherited within the eThekweni Municipality.

1.4 OBJECTIVES OF THE STUDY

Arising from the aforementioned needs of the study, a work plan was established to meet the key objectives of the study. These key objectives are highlighted as follows:

- Examining the impacts of globalisation and conceptualising it on local government level.
- Provide recommendations that will focus on changes for globalisation.
- Provide understanding of globalisation.
- Analyse developmental changes in the Unicity.
- Investigate the use of various institutional models for local governance.
- Provide recommendations for governance changes for globalisation.

1.5 JUSTIFICATION FOR THE STUDY

The study is important because it focuses on globalisation having an impact on the governance of local authorities, which are simultaneously trying to meet critical challenges of the local electorate. In keeping with global trends, it seeks to find creative ways of developing an approach that would not only provide services and support domestically, but globally as well.

Moreover, the global village is showcasing Africa, more especially South Africa, as a destination for people to seek and gain access in many ways, and including the different forms South Africa can offer. The launch of the African Union, the adoption of the aims of National Economic Partnership and Development, the World Summit for Sustainable Development, the World Cup Cricket in eThekweni and the 2010 Soccer World Cup are indicative of **the fact that South Africa is continuously aspiring to becoming a global player.**

The eThekweni Municipality needs to continuously explore creative mechanisms which maximize the positive impacts of globalisation. Key projects like the adoption of Integrated Development Program within the Long Term Development Framework, appointment of the municipal executive and the recent advertising of further positions within the eThekweni is evidence that the municipality is rapidly becoming one of the global cities of the world.

1.6 KEY RESEARCH QUESTIONS

The question is often raised as to whether a country such as South Africa can ignore global influences after years of isolation and integrate positively within the global community as a global player (Ballard & Schwella 2000: 737).

Globalisation could facilitate economic and social upliftment in the communities served by local authorities. On embracing the needs, objectives and justification of the study, the key research questions are as follows:

What is meant by globalisation?

What is meant by governance?

What is the relationship between governance and globalisation?

How does globalisation impact on Local Authority governance and more especially on the eThekweni Municipality?

How does the Municipality deal with global trends in regard to governance?

Can a model of governance or set of recommendations be developed to ensure appropriate responses to globalisation trends within local government and more specially the eThekweni Municipality?

In order to answer those questions an appropriate research methodology had to be considered.

1.7 RESEARCH METHODOLOGY

The method used to do research consists of a theoretical search, empirical survey and data interpretation. In depth literature study is imperative in order to construct a questionnaire, to obtain and interpret data, and to advance recommendations as discussed in Chapter 7.

1.7.1 Theoretical Search

A literary study of available texts comprising relevant books, journals, dissertations, reports, newspaper articles, papers, legislative proposal acts and on-line internet searches were conducted.

1.7.2 Empirical Survey

Empirical Survey – a survey was conducted employing the method of structured questionnaires. They were directed to councillors, municipal officials, community based organizations, non-governmental organizations and trade unions to elicit views on globalisation and its impact on local government.

1.7.3 Data Interpretation

The data was analysed using inferential and descriptive techniques.

This data was presented using graphic and tabular representations.

1.8 LIMITATIONS OF THE STUDY

A study of this nature will invariably have limitations. Owing to challenges of constitutional uncertainty, demarcation of areas and restructuring of eThekweni Municipality, there was limited access to information. Further, there was reluctance on the part of officials to provide information to the researcher. The sensitive nature of the subject initially aroused suspicion and created uncertainty amongst the participants in the sample. However, detailed clarification and explanations were given to the participating institution which helped to alleviate fears.

Globalisation is a current issue and institutions like the eThekweni Municipality are in the process of developing an approach to address the challenges of globalisation. Furthermore as a topical issue, it is continuously in a process of change which precludes any finality. Therefore obtaining information through questionnaires and interviews was difficult.

1.9 OVERVIEW OF CHAPTERS

Chapter One of this study provides an overview of the field. It is an introductory chapter which sets the parameters of this thesis.

Chapter Two begins with definitions of terms and furnishes a conceptual framework of local government governance and globalisation. It considers particularly the state of transition in both Municipal/Local Government Administration and Public Administration.

In Chapter Three, a comparative study of globalisation is made. A variety of perspectives are analysed, concluding with aspects relevant to South Africa.

Chapter Four focuses on globalisation's impact on the local perspective, especially at the eThekweni Municipality. It also provides an overview of the ongoing restructuring of the eThekweni Municipality to meet global trends.

Chapter Five presents the research approach for the purposes of this study together with the research objectives.

Chapter Six embraces the research findings and discussions from the responses to questionnaires. Statistical data is presented and specific responses are analysed.

The final chapter draws conclusions on globalisation and its impact on governance of local authorities. Recommendations for the eThekweni Municipality are offered.

The Bibliography and Appendices are included at the end.

1.10 DEFINITION OF TERMS

1.10.1 Globalisation

Globalisation refers to the relationship that exists between political, technological, social, environmental, economic and legal structures on a global scale. These are integrated in a manner that makes them virtually inseparable. Actions and events occurring within the global system therefore have an effect on the political system as a whole. The nature of the action or event determines the magnitude of its influence on the entire system (Van Niekerk, Van der Waldt & Jonker 2001:305).

Lodge (1999:62) submits that *globalisation is a process whereby the world's people are becoming increasingly interconnected in all facets of their lives - cultural, political, technological, and environmental.*

In a subsequent seminar on *International Solidarity and Globalisation* held in Stockholm in October 1997, McGrew (1997:14) refines his definition and submits that, *it is a structural shift in the spatial organization of socio-economic and political activity towards transcontinental or inter-regional patterns of relations, interaction and exercise of power.*

The aforementioned definitions emphasize the global village notion, the removal of territorial barriers and the ever - increasing influence

that is felt in all sectors of the national and international arena (Moodley & Reddy 2002 : 2).

The following definitions indicate the economic trends and influences that globalisation engenders.

Oman (1999:62) defines it as follows: *Globalisation is the growth, or more precisely the accelerated growth, of economic activity across national and regional political boundaries. It finds expression in the increased movement of tangible and intangible goods and services, including ownership rights, trade and investment and often of people, via migration.*

The definitions on globalisation quote a number of common terms which include *inter-alia* the following: integration, interpenetration, internationalization, interconnected, worldwide corporate networks, liberalization, universal character, multiplicity of linkages, universal process, interdependence, transcontinental, inter-regional, and planetary influence (Moodley & Reddy 2002 : 2).

These terms all emphasize a common thread of universality that goes beyond territorial boundaries, emphasizing a world nation state, linked together by the common bond of homo sapiens, who execute transactions within different contexts, be it political, socio-economic

or other, for their sustained existence and welfare (Moodley & Reddy 2002 : 2).

Globalisation can be seen as a market induced process, created by the developed economics that has impacted on our lives both internally and externally. The internal and external environment includes the political, social, economical, technological and cultural affairs of states collectively (Nye Bedenkopf & Shina 1991:10). This multi-connected, inter-dependent and integrated phenomenon can be viewed as a challenge or has it created opportunities for the developing nations of the world to be a beneficiary or is it another form of imperialism?

1.10.2 Governance

Fox & Meyer (1995: 55) define governance in broad terms that refer to ordering of a group, community or society by a public authority. The purpose of governance include the maintenance of law and order, the defence of society against external enemies and the advancement of what is thought to be the welfare of the group, community, society or state itself. Governance is only possible as long as governments manage to enforce its will.

At the Commonwealth Local Government Forum (CLGF) held in eThekweni, South Africa, 9-10 November 1999, it was stated that the distinction between government and governance is important

even if it sounds pedantic. When mention is made of “government”, emphasis is placed on a set of institutions and instruments for collective action. Governance on the other hand, places an emphasis on the process through which such societies and communities steer themselves.

Furthermore, the key elements of the governance process are strategic leadership, enabling public discourse, and a holistic approach that encourages the development of a shared framework, values, goals and direction (CLGF 2001: 3).

An effective global governance is a system that is governed by people and institutions according to commonly defined rules and mechanisms, in assuring that all involved parties contribute to, and benefit from it. The points below highlight the system of global governance (Sauer 2001: 658):

- An efficient and environmentally sound use of available and potential natural and man-made resources i.e. an efficient world economy;
- Extensive forms of accountable social solidarity between existing generations and different groups, as well as vis-à-vis future generations i.e. a universal social justice;
- A dynamic and varied framework for the promotion and development of cultural diversity, dialogue and integration i.e. a genuine cultural identity and freedom; and
- The largest possible participation of individuals and groups in the decision-making system, based on a pluralist and public interest led governance of information and communication system.

However, the eThekweni Municipality does not have an effective global governance system because of the critical challenges it faces daily, *viz*: poverty, unemployment, safety and security. Therefore, for the eThekweni Municipality to seek solutions, they need to forge a continuous and active partnership with all political parties. Election manifestoes must become action orientated with emphasis on service delivery and accountability.

In doing so, this would alleviate some of the critical socio-economic challenges facing eThekweni.

1.10.3 Local Government

Speed (1964:1) observes that *local government is government in defined parts of the country i.e. in cities, towns and other areas within the limits of the powers and functions conferred by a higher authority.*

Heymans & Totemeyer (1988:13) define local government as *local democratic units within the unitary democratic system of our country which are subordinate members of the government vested with aforescribed, controlled governmental powers and sources of income to render specific local services and to develop, control and regulate the geographic, social and economic development of defined local areas.*

In view of the daunting challenges faced by the eThekweni Municipality, a more developmental approach which ensured service delivery and maximum benefit to citizens became a necessity.

1.10.4 Local Governance

The shift in emphasis from “government” (the power to govern) to “governance” (the act of governing) is linked to the global acknowledgement that organs of civil society need to be empowered to share the responsibility for governance. In essence, government institutions require a new, citizen - oriented approach. In this sense, relationships, partnerships and alliances have become more important for local government now, than in the past (Ismail, Bayat & Meyer 1997:16).

1.10.5 Public Administration

Kuye, Thornhill & Fourie (2002: 13) state that public administration is the management of individual and group efforts for the sustenance of the activities of the state. It is the action part of government, the means by which the purposes and goals of government are realized.

Public Administration is multi-disciplinary in nature. It consists of numerous activities, processes and functions which are inter-dependent and mutually inclusive to promote the welfare of the community (Sabela 2003: 274).

1.10.6 Local Authority

Sabela (2003:274) refers to local authority as a geographical area of an urban system for which a city council, town council or similar

local government body that has been established to promulgate local laws for governing the local community, provide and manage local public services.

1.10.7 Global Cities

Naidu & Reddy (2000:14) define global cities as the spatial link between certain cities in the world and the global economy, highlighting the growing inequality between and within cities in developed and developing countries. The global city suggests that cities are positioned in highly differentiated points in a broader hierarchy of cities. This hierarchical hold determines implications for the capacity of the city to engage with, and survive the new economic processes and technological advances which made interaction possible.

1.10.8 Municipal Administration

Craythorne (1990:54) states that municipal administration is the administering and managing of all services which are provided to citizens and which are influenced by the internal and the external environmental factors such as globalisation, economic, social, historical, technological, cultural and spatial.

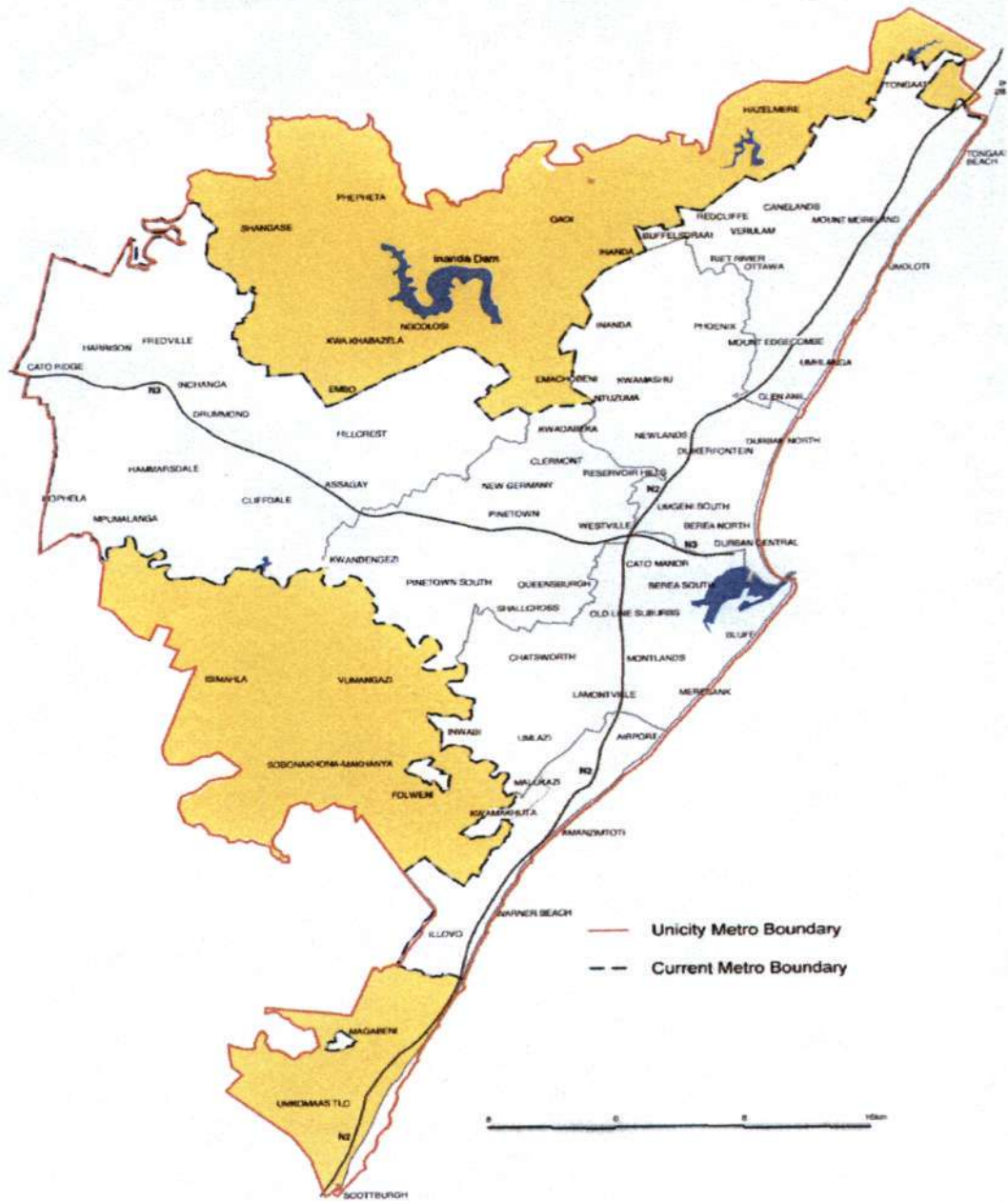
1.10.9 Metropolis and Metropolitan Area

The term 'metropolis' and 'metropolitan area' commonly refer to a major city together with its suburbs and nearby cities, towns and countryside over which the city exercises commanding influence (Gildenhuys, Fox & Wissink 1991:87).

1.11 eTHEKWINI METROPOLITAN AREA

This demarcation of a wide geographical area is in keeping pace with global trends for local governance. According to the Integrated Development Plan (IDP) 2002, the eThekwinI Metropolitan Area (Figure 1) extends from Tongaat River in the North, to Cato Ridge in the West and to the Umkomaas River in the South. It is now one administrative entity, comprising a large geographical area and is managed on a functional basis, to ensure equity in service delivery. Tariffs are still not equal and by-laws are not uniform. The municipality is currently working on a consistent set of by-laws and tariffs.

FIGURE 1 ETHEKWINI METROPOLITAN AREA



Adapted from Integrated Development Plan

1.12 SUMMARY

Globalisation is changing the World in which governments embrace their domestic objectives and emerging global challenges which affect national sovereignty. South Africa celebrated its first decade of democracy despite domestic and international challenges. South Africa is a young democracy, which has made tremendous strides in establishing itself as a global player. South Africa's policymakers would have to explore different strategies, tactics and alliances to meet changing circumstances around the phases of government and administration that impact on globalisation.

The overview of the study has been presented together with the aims, objectives, justification, limitations, research methodology and definition of terms to show the impact of globalisation on the governance of local authorities. eThekweni Municipality which through restructuring is progressively emerging as having all the ingredients of a global city (modern infrastructure, an efficient transport system with multiple points of entry, access to information technology, updated sports and recreational facilities, a well-managed network of service delivery etc.) through the new developmental approach to governance.

The eThekweni Municipality is now a centralised entity comprising a large geographical area and is being managed on a functional basis to ensure equity in service delivery.

The next chapter reflects a conceptual framework of the study within local government governance and globalisation.

CHAPTER 2

A CONCEPTUAL FRAMEWORK OF THE STUDY

The local government elections of 5th December 2000 marked a new era in governance at the municipal level. They followed a major restructuring exercise undertaken by the Municipal Demarcation Board which reduced the number of local authority institutions from 843 to 284. The area of jurisdiction of most re-demarcated municipalities was expanded substantially and the number of people living under their aegis increased markedly (South African Survey 2001/2002).

2.1 INTRODUCTION

The overview of this chapter centres on how globalisation fits into the conceptual framework of governance at the local level. It also contextualises globalisation within the local government paradigm with an explanation of the different phases of government. It focuses on the distinctiveness of public administration, discussing traditional, innovative and global approaches to public administration and highlights the impact and its relevance to globalisation.

In terms of Section 42 of the Constitution of the Republic of South Africa, 1996, (Act 108 of 1996), three spheres of government are provided for, viz.: Central or National; Provincial or Regional; and Local or Municipal.

The provision of public services is applied through the three spheres of government. The activity or process of implementing government policies with the paramount intention of improving the quality of life of the total citizenry is called public administration. In South Africa, the perception which has been popularized is that public management is only a part of public

administration and care should be taken not to reduce public administration to public management (Fox, Schwella & Wissink 1991: 2).

The new era dictates that public administration must become the conceptual tool that guides the delivery process of management (Kuye, Thornhill & Fourie 2002:1). Public Administration is comprised of numerous sub-fields. Municipal administration, which is one field, is specifically concerned with the administration of municipal affairs by municipal officials at the sphere of local government (Pillay 2000:26).

Municipal administration is part of the greater field of public administration.

Hence the theories and guidelines of public administration will also apply to municipal administration and the municipal environment (Cloete 1998: 133).

2.2 CO-OPERATIVE GOVERNMENT

The South African Constitution sets out the structure of the different spheres of government, and according to the White Paper on Local Government (1998:40-41), all spheres of government must co-operate with one another in mutual trust and good faith by fostering friendly relations. The three spheres of government are distinctive, but interdependent and inter-related.

2.3 CO-OPERATIVE GOVERNANCE

The writers of the Constitution, however, intend co-operative government to be more than simply a constitutional ideal. Co-operative governance is

intended to be a means of enhancing governance and the efficiency of government structures. This should be done within the context of the political, social, economic, global realities, while ensuring the participation of citizens in structures of government (Moosa : 2000:1).

According to the Green Paper on Co-Operative Government (2000), co-operative government means that, although each sphere is distinctive and has equal status, the spheres are also interdependent with the overall structure of the state. The three spheres must work together to ensure effective government on the whole and each of its parts. Co-operative government recognizes the complex nature of government in modern society

No country today can effectively meet its challenges, unless the various parts of government (Green Paper 2000:3):

- Co-ordinate their activities to avoid wasteful competition and costly duplication;
- Develop a multi - sectoral perspective on the interests of the country as a whole, and respect the discipline of national goals, policies and operating principles;
- Settle disputes constructively without resorting to costly and time-consuming litigation;
- Collectively harness all public resources within a framework of mutual support; and
- Rationally and clearly divide the roles and responsibilities of government, so as to minimize confusion and maximize effectiveness.

In light of the above, South Africa boasts of having the best constitution in the World. Co-operative governance is a cornerstone of our democratically created constitution.

2.3.1 National Government

National government is responsible for making decisions and has legislative power concerning matters of national interest (Van Niekerk, Van der Waldt & Jonker 2001: 68). It ensures that local government operates within an enabling framework and is structured in such a way that it promotes the development of citizens, local communities and the nation (Section 41 of the Constitution of the Republic of South Africa, 1996).

2.3.2 Regional Government

Regional government amongst other key performance areas, establishes municipalities and is entrusted with promoting the development of local government capacity to enable municipalities to perform their functions and manage their own affairs. Regional government has a key role in monitoring local governance in order to ensure that high standards of public service and good government are maintained (Section 139 of the Constitution of the Republic of South Africa, 1996:74).

2.3.3 Local Government

Local government as envisaged by the White Paper on Local Government (1998) has, as its base, three pieces of legislation:

- The Demarcation Act, No 27 of 1998;
- The Municipal Structures Act, No 177 of 1998; and
- The Municipal Systems Act, No 32 of 2000.

These pieces of legislation spelt out that to improve the quality of life for the total citizenry, South Africa had to be demarcated into municipal areas by an independent authority. Within this political framework, core principles, basic systems, mechanisms and processes had to be put in place in order to move progressively towards the social and economic upliftment of communities as envisaged in the White Paper on Local Government.

According to Section 152 of the Constitution, the objectives of Local Government are to:

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

In order to achieve the above objectives effectively and efficiently, greater autonomy has been granted to local government. Globalisation or internationalization of capital, production services and culture, will

also impact on local authorities (Ballard & Schwella 2000:739). This is because economic transactions and the integration of systems of production occur on a worldwide basis. The rapid development of information technologies has resulted in the emergence of a global economy. In this context, local authorities like the eThekweni Municipality will become the nodes or points of contact that connect economies across the globe (Ballard & Schwella 2000: 739).

2.4 DISTINCTIVENESS OF PUBLIC ADMINISTRATION

Public Administration is a global concept, both as a university discipline and as an applied human science. Public Administration is timeless and boundless; in other words, as a social science, it is aimed at all activities in all states and all times and under all circumstances (Bates, Brynard, Fourie & Roux 1995:147). It is also studied generically, which means that it is studied in all its guises at the various spheres of authority (Bates et al 1995:147). It is imperative to provide a definition of public administration for clarification.

2.4.1 Definition of Public Administration

Du Toit & Van der Walddt (1997:13) are of the opinion that:

Public administration is concerned with handling public matters and the management of public institutions in such a way that resources are used efficiently to promote the general welfare of the public.

The new era dictates that Public Administration must become the conceptual tool that guides the delivery process of management (Kuye, Thornhill & Fourie 2002: 1).

It can, therefore, be concluded that public administration involves a global approach with a wide range of activities that holistically contributes to improving the quality of life of all citizens of a country.

2.4.2 Public Administration Approaches

For the purpose of this discussion, three specific approaches of public administration are explained, viz:

- The Traditional Approach advocated by Cloete (1998: 85-87);
- The Innovative Approach advocated by Fox, Schwella & Wissink (1991:4-8); and
- The Global Approach advocated by Nye, Bedenkopf & Shina (1991:154-157).

2.4.2.1 Traditional Approach

Cloete (1991:50) defines public administration as the following:

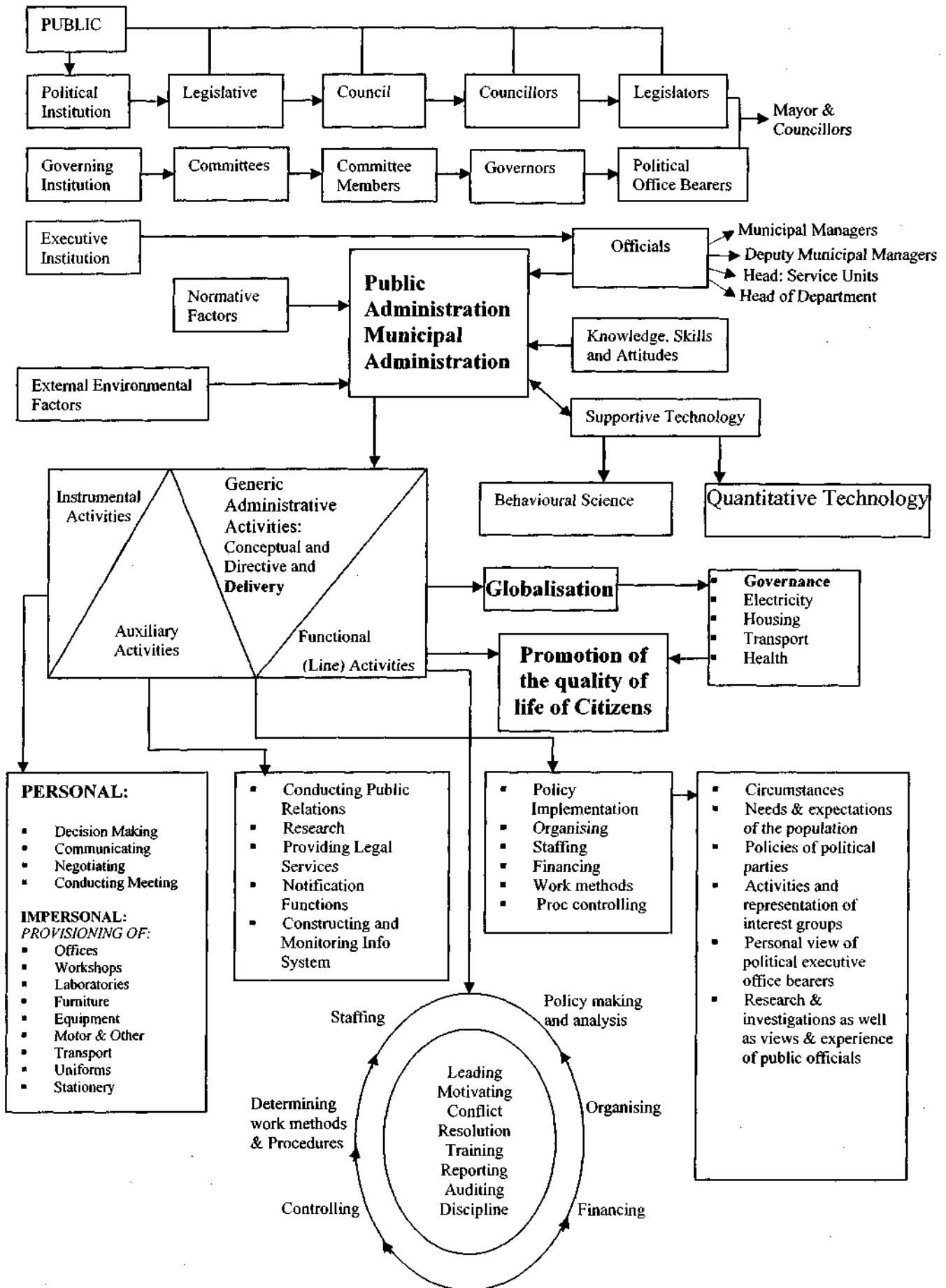
South Africa, as is the case in every other state, has an intricate network of public institutions. These institutions exist to provide public goods and services for the maintenance of the State. For the creation and operation of the public institutions, a variety of activities, also known as functions or processes, have to be carried out. These activities or functions are collectively known as public administration.

According to Cloete (1998:85-87) public administration comprises the following aspects:

- Generic administrative and managerial functions;
- Auxiliary functions;
- Instrumental functions; and
- Functional (line) activities

These functions are performed by public functionaries in public institutions to achieve institutional goals which ensure the promotion of the quality of life for the citizenry. Figure 2 illustrates the aspects and discusses the model of public administration.

FIGURE 2 : MODEL OF PUBLIC ADMINISTRATION



Adapted from Cloete (1998:28-87)

Cloete (1998:86-86) points out that the activities or processes or functions which constitute the generic public administration approach are classified into the following dimensions viz:

2.4.2.1.1 Generic Administrative and Managerial Activities

It is referred to as generic because administrative activities are performed in all public institutions. Cloete (1991: 52) distinguishes between conceptual and managerial activities as follows:

(i) Conceptual Activities

The conceptual activities consist of:

- policymaking and analysis;
- organizing;
- financing;
- staffing;
- determining work methods, procedures; and
- controlling.

(ii) Managerial activities

A synopsis of these activities are presented below:

Policy implementation

Policy implementation involves, inter-alia, the following (Cloete 1991:53):

- setting missions/objectives/goals;
- planning, programming, marketing missions/ objectives/ goals; and
- identifying and reporting shortcomings.

There are numerous factors that influence the implementation of policy. These factors must always be taken into account for the purpose of making new policies or adopting existing ones (Cloete 1998:133-134). Circumstances, being one of the factors, means the total environment, as determined by time and place, in which authorities operate. It includes the state of community life as regards the impact of globalisation on economic, technological, social, cultural, political, climatic and even geographical matters.

Other factors which determine the state of community life are (Cloete 1998: 133-134):

- *increasing tempo of the developments in technology;*
- *population increase and urbanization of the population;*
- *crises, natural disasters war and depression;*
- *international relations; and*
- *economic and industrial developments.*

The Organisation of Economic Co-operation and Development (1997:3) states that in combating international crime, environmental degradation and drug trafficking, the interests of individual nations can only be protected by collective action. International co-operation opens up new opportunities for progress, such as sharing policy strategies, or working together to establish rules of the game for international highways or a global financial system.

Organising

Botes (1994:28) states that, owing to the magnitude and complexity of government activities, it is necessary to group individuals into a team

to realize common goals. The core elements of organizing are division of work, delegation of authority, co-ordination, channels of communication and measures of control, which are crucial in the challenges and opportunities that face all spheres of government in a globalised world.

Staffing

The processes relate specifically to the following (Cloete 1998:86-87):

- Leading, motivating, training, merit rating; and
- Maintaining discipline, counselling, reporting on personnel systems and individuals.

It is true to say that government's most important resource is its people. Therefore, a changed international environment requires a revamping of skills and competences of the public service, especially among officials involved in foreign affairs.

Financing

The process of financing in municipal administration entails numerous activities; the primary function being the preparation of annual budgets of income and expenditure, with some secondary functions including (Cloete 1994:145):

- costing/cost-benefit analysis;
- preparing draft estimates for income and expenditure;
- accounting;
- auditing; and
- reporting.

The financial plan is an element of the Integrated Development Plan with the desired outcome being to provide better services for more citizens now as well as in the future. The eThekweni Municipality has sufficient funds and revenue to pay for the municipal operations.

Determining Work Methods and Procedures

Cloete (1981:70-73) confirms that specific work methods and procedures will result in efficient work performance, implying that work will be done in the shortest time, using the minimum amount of labour and at the lowest cost.

Controlling

The exercise of control in the public sector has one objective, *viz* to ensure that account is given in public for everything the authorities do or neglect to do (Cloete 1994:204).

The process of control in municipal administration entails numerous activities, *inter alia*:

- *applying standards prescribed;*
- *checking on quantity and quality of products;*
- *internal auditing; and*
- *reporting (feedback).*

The generic administrative functions will always precede the managerial functions. All public functionaries will be involved with both dimensions of the generic administrative functions. The higher placed functionaries will devote a greater part of their working hours to

the conceptual and directive functions than to the delivery functions. The extent to which supervisors succeed in performance of their delivery functions will determine productivity of the public institutions. This will extend to policy objectives that are attained at all spheres of government.

2.4.2.1.2 Auxiliary and Instrumental Activities

These are enabling functions which help or aid in the provision of the necessary support services to municipalities so that they may render improved and efficient services to the community. According to Cloete (1994:241) auxiliary functions comprise the following:

- research;
- conducting public relations;
- providing legal services;
- notification functions; publishing the official gazettes and other publications; and
- constructing and maintaining information systems: data collection, processing and retrieval.

Every official employed in a municipal institution will be required to perform instrumental functions in the performance of his/her work which entails *inter alia* (Cloete 1994:248):

Personal: decision-making, communicating, conducting meetings and negotiating.

Impersonal: provision of:

- *offices*;
- *workshops*;

- *laboratories;*
- *furniture;*
- *equipment;*
- *motor and other transport;*
- *uniforms; and*
- *stationery.*

2.4.2.1.3 Functional or Line Activities

The functional activities undertaken by municipal institutions are determined by the physical and social conditions prevailing in the municipality and the local community, as well as the ideologies of the functionaries who are in power in the legislative and governmental institutions (Cloete 1994:256). Examples of these functional activities are (Cloete 1994:58):

- *building roads;*
- *nursing patients;*
- *providing health services;*
- *transporting goods;*
- *education;*
- *foreign affairs;*
- *environmental conservation; and*
- *library services.*

The four main functions, namely the generic administrative, managerial, functional, auxiliary and instrumental functions are all necessary to achieve the primary goal of a local authority, which is the efficient and effective rendering of goods and services for the promotion of community welfare. These functions are inter-related, interdependent and mutually inclusive which means that one function cannot operate without the other. They function simultaneously although discussions may take place separately (Cloete 1991:50).

2.4.2.1.4 Criticisms of Cloete's Approach

Cloete's administrative process model is the foundation which still has a very strong influence on the theory and practice of public administration in South Africa. However, there have been several criticisms of Cloete's approach in terms of reductionism, reification and relevance which are discussed hereunder (Wessels and Pauw 1999:334):

- **Reductionism**

Reductionism reduces the complexity of public administration to merely the administrative process and therefore the administrative functions of policymaking, organizing, financing, personnel provision and utilization and control (Wessels & Pauw 1999: 334).

- **Reification**

Reification elevates theoretical constructs and concepts to the level and status of reality, thus elevating one's approach to the status of reality (Wessels & Pauw 1999:34).

- **Relevance**

It is clear that the generic administrative approach was lacking in relevance because it did not reflect the serious problems in the systems of governance and administration in the South Africa of the past. As the approach is systemically biased towards internal aspects of bureaucracy rather than the

relationships between the system of public administration and its complex societal environment, it will not reflect on present and future problems in South African governance and administration critically (Wessels & Pauw 1999:34).

2.4.2.2 Innovative Approach

The Innovative Approach is the new management approach introduced in South Africa by Fox, Schwella and Wissink which is supported by Wessels & Pauw (1999:344) and reflects on:

Public Administration as being constantly influenced by relevant aspects of the environments within which it operates and in turn influences that environment. If the system does not operate in an acceptable way, it will receive signals in this regard. A failure to make the necessary evolutionary adaptations will result in pressures to address growing disequilibrium within society by means of revolutionary change.

The World is moving into an era of constant change, where policymakers and public officials have to learn to operate in an increasingly fluid, dynamic and borderless world economy. The challenge for the developing nations, is not to respond to change, or even a series of changes, but to build the capacity to anticipate and adjust to constant change, in other words, to develop a culture of change.

According to Schwella (1991:3-6) the public management model stresses the importance of the *dynamic environment and a host of daunting challenges for the theory and practice of management*.

The new era dictates that Public Administration must become the conceptual tool that guides the delivery process of management. To understand the modern concepts of Public Administration, thinking needs to be done within an interdisciplinary paradigm (Kuye, Thornhill & Fourie 2002: 1).

The primary objectives of this systems are formulation of appropriate governmental policies, catering for the diverse needs of society, and the effective and efficient execution of these policies (Wessels & Pauw 1999:344). Public Administration needs to make its learning strategies more wide – ranging. It must move away from a mechanistic approach to an approach of elaboration and collaboration (Kuye *et al* 2002:1).

Public Administration as a system is managed by people and provides relevant policies and services for people. Groups of people direct and manage the actions of the public administration system. This professional activity should be geared towards the philosophical ideal of striving for the values of the good society through effective, efficient and productive action (Schwella in Wessels & Pauw 1999:344). Starling (in Schwella 1999:3) states that *public management is only a part, albeit a very important part of Public*

Administration. The assessment of public management functions is dependent to a large degree on the environment it serves. It is precisely for this reason that a public management model becomes necessary.

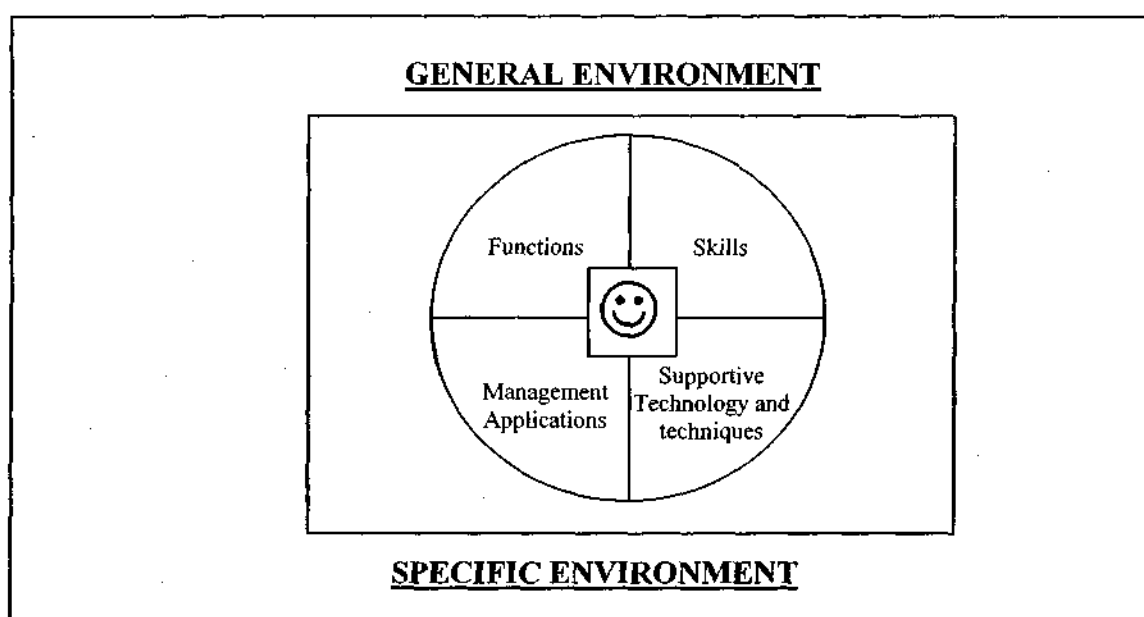
The public management model makes it clear that political and social relevance are catered for by the emphasis given to the environment of public management. Economic and professional relevance are catered for in terms of its central linking concept of public management (Wessels & Pauw 1999:347). Public management is visualized in terms of the functions, skills, applications and supportive technology and techniques (Schwella 1991:2-5).

The public management environment consists of general and specific components (Schwella 1991:5). The general components include the political, economic, social, cultural and technological aspects of the environment. The specific environment includes suppliers, regulators, competitors and consumers. The disciplines of Public Administration and Public Management are an arena that is always identified as a potential source of innovation (Kuye *et al* 2002: 23). The public management functions are policymaking, planning, organizing, leadership and motivation, control and evaluation (Schwella 1991:5).

In exercising public management functions and skills, public managers can be assisted by using available supportive technological aids and

techniques. Computer technology and information management are two such examples. In order to enhance the functioning of public management, areas of operation need to be constantly researched (Pillay 2000:43).

FIGURE 3 : SCHWELLA'S PUBLIC MANAGEMENT MODEL



GENERAL ENVIRONMENT

* Political * Social * Economical * Technological * Cultural * Global

SPECIFIC ENVIRONMENT

* Suppliers * Competitors * Regulators * Consumers

<u>FUNCTIONS</u>	<u>SKILLS</u>	<u>APPLICATIONS</u>
Policy Making Planning Organising Leading Control and evaluation	Decision-making Communication Management of change Management of conflict Negotiation	Policy Analysis Strategic management Organisation development
		SUPPORTIVE TECHNOLOGY AND TECHNIQUES
		Computer technology and information management techniques for public management

Adapted from Fox, Schwella & Wissink (1991:4)

2.4.2.2.1 Public Management Environment

Public Management follows an open system's approach therefore changes in environment will invariably impact on management structures. Public administration is aimed at all activities in all states, at all times and under all circumstances (Botes *et al* 1995:147). The implication is that the environment within which management structures and functions operate is of profound importance. It is therefore necessary to consider the environment when making decisions, communicating, bargaining and managing change and conflict (Schwella 1991:18).

Changes in the environment impact on public management. The environment will be discussed in terms of general environment (political, economic, social, cultural, technological and international) and the specific environment (suppliers, regulators, competitors and consumers).

General Environment

The general environment refers to all those factors that are external or outside the boundaries of an organization that influence the management of an organization. The component of the general environment comprises: the political, economic, social, cultural, technological and international aspects of the environment.

Political Environment

Although there is widespread evidence that the world is becoming more integrated, there are also signs of global fragmentation which include conflict with nation states, racism, large states breaking up and social problem emerging (Isaacs S. 2002:27)

The political environment within local government impacts on the political system dealing with policy implementation and fundamental political demands of the people (Schwella 1991:19):

- Public managers need to be aware of the impact that the political system has on organisations.
- Political ideas, philosophy and political ideology form the basis of the political environment.
- Public organizations are profoundly influenced by national power structures and processes such as political parties, pressure and interest groups, political policies, government laws, acts and regulations as well as political and executive authorities.

Globalisation has to be embraced as a reality and political office bearers and public officials need to view it as a challenge.

Economic Environment

The economic environment within which local government operates, comprises issues such as reducing poverty and unemployment, national income, equitable distribution of wealth, job creation and underdevelopment, which impact on globalisation in the following manner (Schwella 1991:19):

- The economic system of a society is the manner in which the society creates and distributes wealth.
- Economic ideas, philosophy and ideology provide a basis for international and national economic structures and processes. International economic bodies such as the International Monetary Fund (IMF) and the World Bank have wide-ranging influences on national economies.
- National economic factors that have to be considered include the structure of the economy, patterns of economic growth, inflation trends, rates of exchange trends, balance of payments trends, savings and investment trends.
- Climatic conditions and geography have to be considered as they influence the availability of land, water, mineral and energy resources which include the international competitiveness of the particular national economy (Schwella 1991:19).

Social Environment

The social environment within which local government operates will require the provision of basic services to improve the quality of life of the global citizenry (Schwella 1991:20):

- For management and organizational purposes, factors to consider when analyzing the social environment also include trends regarding the demographic characteristics of the population, trends in respect of urbanization, housing, education and training, human development and improvement in the social well being of the people (Schwella 1991: 20).

Cultural Environment

The cultural environment within which local government functions is from cultural beliefs, practices and actions whereby our diverse cultures would influence the quality of decisions to influence and sustain the trends of globalisation (Schwella 1991:20):

- The culture of a society stems from the basic beliefs, attitudes and interactions of the society which are universal in nature.
- The family, educational institutions and religious institutions establish cultural patterns from one generation to the next which is globally acceptable as best practice (Schwella 1991:20).

Technological Environment

The technological environment within local government links up the global community, which impacts on efficiency, effectiveness, training, development, accuracy, speed and precision (Schwella 1991:20).

- The technological environment refers to the use of equipment and machinery to produce and distribute goods and services.
- Public managers need to take into account the importance of the technological environment which impacts on their functioning (Schwella 1991:20).

Global Environment

A changed international environment requires a revamping of skills and competences of the public service, especially amongst officials involved in external relations (OECD: 1997:5).

There exists the need to develop capacity to tap ideas and promising practices from other countries and to amend them to fit local conditions. This is essential to stimulate competition in the international job market (OECD: 1997:4-5).

Some governments have responded to creating opportunities for staff to develop international skills, e.g. France, New Zealand, Australia, United Kingdom and Japan. In an interdependent world, staff development requires significant investment, which is often considered a luxury when resources are tight in most, if not all developing countries.

In most developing democracies, this would not be possible as most of the developing countries are either in a debt crises or do not have the financial leverage to develop staff for the purposes of service delivery for demands of the globalized world, let alone the domestic environment.

Specific Environment

The specific environment within local government is that part of the environment which directly influences the availability of resources to the organization (Schwella 1991:20-21). As such these environmental components are observable and directly experienced by the organization (Schwella 1991:20-21).

The specific environment includes suppliers, regulators, competitors and consumers which are expressed by organizations in the following manner as discussed below:

Regulators

Regulators control or regulate the relationships between the organization and its suppliers, consumers and competitors. These institutions perform specific functions according to the needs of the polity, the society or the economy.

Suppliers

Suppliers produce, mobilize and allocate various kinds of resources to particular organizations. In public organizations, the financial resources are mobilized by means of taxes, levies or service charges and are allocated to public organizations according to political and policy priorities (Schwella 1991:21-22).

Consumers

Consumers are the users of the products or services. The consumers may consume the services provided or may be compelled to use the services provided.

Competitors

Competitors are those institutions that compete for scarce resources.

2.4.2.3 Global Approach

The globalisation approach is inspired by the need for reconciling politics and economics by establishing rules, procedures and institutions of political governance at the same level where the

economy is operating. Many different ideas, goals and perspectives co-exist under the umbrella of the globalisation approach. Therefore, the globalisation approach encompasses many meanings that in some instances are not entirely compatible with each other (Nye., Bedenkopf, & Shina 1991:154). The North American line in strengthening the globalisation approach is best illustrated by former Vice President of USA, Al Gore who states that the approach is two fold *viz* (Nye *et al* 1991:157)

- there are no real precedents for the kind of global response now required, which means that humankind has entered a new era - the globalisation of human affairs, that demands a global governance.
- there is an urgent need to design and implement a global plan that contemplates worldwide co-operation – The Global Marshall Plan. The new plan will require wealthy nations to allocate money for transferring environmentally helpful technologies to the Third World and to help impoverished nations to achieve a stable population and a new pattern of sustainable economic progress.

The Japanese line emphasizes a new global design aimed at peace, harmony, democracy, freedom and tolerance which enforces three processes *viz* (Nye *et al* 1991:157):

- a multi-level network system based on the overall principles of subsidiary and tolerance, implying that decision - making power should be placed at the lowest efficient level; for many nations this implies decentralization, and in other cases it may mean supra-national grouping; a decision space has to be built for small regions within states or for municipalities and towns.
- a world organization based also on the principle that there is a level for some decisions that require world views and that there is a form of world sovereignty about nations and groups of nations.

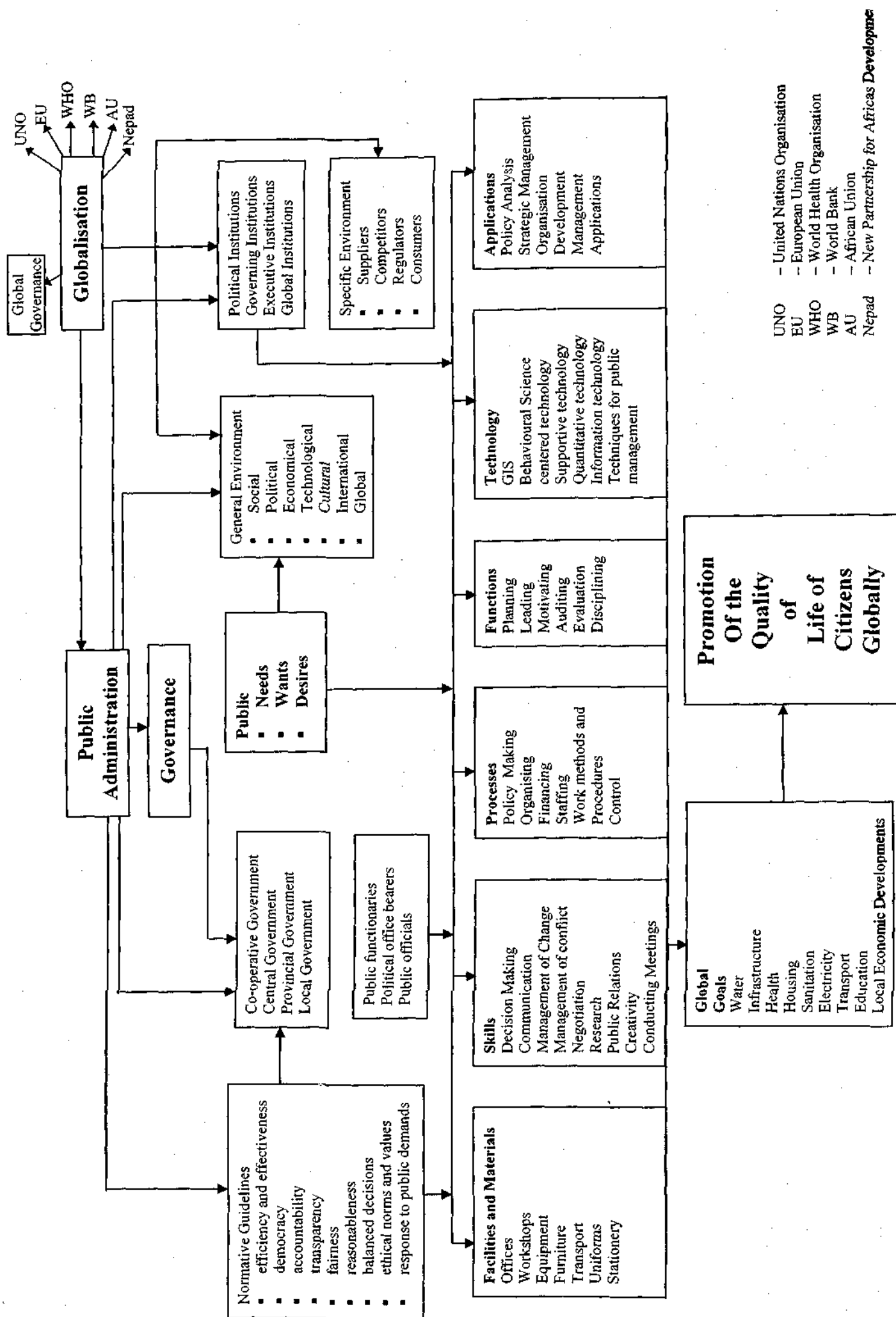
- a social contract for managing North-South relations, include a world employment policy, some forms of economic redistribution and a generalization of social protection (insurance, health) and equal opportunities in education (Nye *et al* 1991:158).

2.4.2.4 An Adaptation of the Cloete-Schwella Approach for Globalisation

Cloete (1991:52) stresses the following key generic administrative processes in public administration viz: - policymaking (including factors influencing policy externally) organizing, financing, staffing, work methods and procedure and control.

Schwella (1991:18) emphasizes the importance of the environment (general and specific) in public administration. The general environment encapsulates the following viz: - political, economic, cultural, technological, social and international. The specific environment comprises: regulators, suppliers, consumers and competitors which gives support and are resources dependent. By using the key themes of the study viz: local government, globalisation and governance of local authorities, an illustration of the Cloete-Schwella approach is presented in Figure 4. This is followed by a discussion to show adaptation to the key themes of globalisation within this study and its impact on governance of local authorities.

Figure 4 Cloete-Schwella & Global approach adapted



There are several rationales for the replacement of the traditional public administration model. These include the realization that public service functions are managerial, i.e. service delivery oriented, rather than administrative; responses to the nature and scope of government; changes in economic theory; impact of parallel changes in the private and public sectors; particularly globalisation as an economic force and ongoing changes in technology (Hughes 1994:8).

Governments have responded to criticisms of their management by instituting a series of reforms. These have taken place in every conceivable area of public life: to the machinery of government, personnel practices – recruitment, promotion, tenure-policy-making processes - financial management, relations with outside groups and all kinds of other procedures (Hughes 1994:20).

To redefine Public Management, the discipline, in its search for excellence, must address the issues of performance and service delivery. Public Management must move from a generalized study of norms and values in the public sector organizations to one which addresses the issues of the delivery of public goods and services. (Kuye *et al* 2002: 23).

Rapid changes in the private sector have led one to believe that the management and efficiency of the public sector affects the private economy and national competitiveness. Increased competition, both

national and international, changes in management, changes in personnel have all occurred in private firms, no less than in government. Global forces affect the public sector as much as the private sector (Hughes 1994:16).

The views of the future of Public Management may be more general, stating global trends, or more specific, focusing on specific areas or issues. Distinctive views emerge when considering trends in developing countries, especially Africa, where poverty, economic stagnation, unemployment, rapid urbanization and underdevelopment are the order of the day (Fox, Schwella & Wissink 1991: 321). Therefore, public managers must take a critical look at progressive policies, managerial approaches and attitudes to come to terms with a process of change, and adapt these accordingly.

The trend towards globalisation also affects management of the public sector. In public administration, as with either social or scientific theories, the spread of ideas and the impact of technology now occur so rapidly that national barriers are becoming increasingly artificial. In a world of economic competition, the role of governments can be an important factor in creating national competitive advantage. There is a link between the quality of service delivery and national economic performance. The question of globalisation, therefore, adds an extra impetus to the reform of administrative structures (Hughes 1994:16).

2.4.2.5 Normative Guidelines of Public Administration

Public institutions, across the globe, especially where democratic governments prevail, will always have normative guidelines to serve as a framework within which officials can perform their duties.

According to Isaak (1975:5) the normative foundations that should guide public officials in the performance of their duties at all spheres of government are, *inter alia*:

- democratic requirements;
- moral and ethical norms;
- human rights;
- public accountability and transparency;
- efficiency and effectiveness; and
- response to public demands.

A summary of the above mentioned global norms highlighting key aspects follows:

Democracy

According to Stahl (1976:271) public administration at every sphere must serve the public in a manner that strengthens the integrity and processes of democratic government. This fundamental principle has implications for public officials, viz.:

- that all people must be served, equally and impartially;
- that this must be achieved with full respect for and reliance on representative institutions; and

- that internal administration in public institutions must be consistent with these codes of behaviour.

Ethical Norms

According to (Botes 1991:20) public officials must adhere to the following acceptable standards when serving the public interest and executing public goals viz.:

- friendliness;
- diligence;
- respect for humanity;
- humaneness (especially to senior citizens); and
- patience.

Human Rights

Section 10 of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) provides that everyone has the right to have their dignity respected and protected. In the same vein, freedom of choice allows anyone to reside in an urban or rural area. This provision will be interpreted, in terms of the Constitution, as an individual's right to a level of service adequate to provide a healthy environment.

Public Accountability and Transparency

Public officials are implementers of public policies. It is not surprising that the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) makes specific provision for public administration to be accountable. Public administration cannot expect to command the respect of the population, if it is carried out behind closed doors. Like

justice, administration must not only be carried out, it must be seen to be carried out (Bayat & Meyer 1994: 40). Transparency is a principle that the new South African government has taken great strides to implement in order to achieve clean administration (Section 195 of the Constitution of the Republic of South Africa, 1996).

Efficiency and Effectiveness

According to Cloete (1998:110-111) a public institution exists for and on behalf of, the community. The services and activities of the public institutions should always be judged on the basis of their necessity. It is inevitable that the needs of the community will always be greater than the resources available to satisfy those needs. This characteristic of human society becomes more pronounced as the population increases and exerts greater pressure on the available resources. Public institutions obtain their revenue from money paid by the citizens and the ability of citizens to pay is limited.

Priorities therefore need to be set, and resources must be used sensibly in order to obtain optimal results.

Response to Public Demands

The responsiveness of public institutions to individual problems, needs and values, as well as those of specific groups, should be increased and secured. The historical development in South Africa has resulted in imbalances among the various components of the total population.

Recent changes have resulted in higher aspirations among those who have been relatively underprivileged. This has created certain expectations and demands, especially in socio-economic fields such as housing, education and urban infrastructure. It is important for officials to provide a satisfactory response to these needs and demands (Bayat & Meyer 1994:38).

It is crucial that public functionaries adhere to and respect the above-mentioned guidelines in order to maintain confidence in government, promote professionalism and enhance service delivery to the public.

2.4.2.6 Distinctiveness of Local Government Governance

Chapter 7 of the Constitution of the Republic of South Africa, 1996 indicates that, *a municipality has the right to govern, on its own initiative, the local government affairs of its community and to encourage the involvement of communities and community organisations in the matters of local government.*

This is further expanded in chapters 2 and 3 of the Municipal Systems Act 32 of 2000 which encourages the idea of co-operative and municipal governance towards the development of a culture of community participation. The legislation has clearly set out the framework which illustrates how local councils shared work together

with local communities to find sustainable ways to meet their needs and improve their lives.

2.4.2.6.1 Characteristics of Good Governance

Numerous characteristics can be identified which contribute towards achieving a system of good governance in all spheres of government in South Africa (Van Niekerk, Van de Waldt & Jonker 2001:65-66).

These include :

- Openness and transparency;
- Adherence to principles contained in the Bill of Rights;
- Deliberation and consultation;
- Capacity to act and deliver;
- Efficiency and effectiveness;
- Answerability and accountability;
- Co-operative government;
- Distribution of State authority and money;
- Respond constructively to the resolution of these problems by engaging in government and business through various forms of action;
- Influence the manner in which politicians address their basic needs; and
- Monitor government's activity in ensuring answerability and accountability.

2.4.2.6.2 Restructuring Local Government towards Local Governance

Government regards transformation as a dramatic, focused and relatively short-term process, designed to fundamentally reshape the public service to anticipate the changing needs and requirements of domestic and international environments (Deonarain 2001:35).

With the restructuring of local government, a new vision of local government has emerged viz: developmental local government (Parnell 2002:255). The central theme of this vision is the notion of local governance.

Parnell (2002:255) define governance *as the activities and relations through which we come together to manage matters of collective concern*. Rather than being the exclusive realm of formal government, local governance is becoming increasingly a process of co-operation between stakeholders (local government, administrators, business, local communities and non-governmental organizations). Developmental local government is a form of governance that explicitly attempts to empower local communities (Parnell *et al* 2002:255).

2.5 SUMMARY

The chapter provides a conceptual framework for the study. There are three levels of government but this study focuses on the impact of globalisation at the local government level. Local government administration or municipal

administration is part of the greater field of public administrative. Public management is an important part of public administration. Public management functions are dependent to a large degree on the environment. Changes in the environment impact on the public management. The environment is increasingly determined by global factors. Management at the local government level must therefore take into account global trends.

The shift in emphasis from “government” to “governance” is linked to the global acknowledgement that organs of civil society need to be empowered to share the responsibility of governance. It is envisaged that the ongoing restructuring of the eThekweni Municipality will meet the demands, needs and challenges of the global trends.

The next chapter deals with the comparative study of globalisation.

CHAPTER 3

GLOBALISATION: THEORY AND PRACTICE

What inspires us as we work with other leaders and peoples across the continent and further afield, is to shape a new world, defined by the needs of all humanity.
(President Thabo Mbeki, State of the Nation Address, 8 February 2002).

3.1 INTRODUCTION

Most people, if asked to specify what they understand by globalisation, reply with considerable vagueness, inconsistency and confusion. Moreover, much discussion of globalisation is steeped in oversimplification, exaggeration and wishful thinking. In spite of numerous publications on the subject, our analysis of globalisation tends to remain conceptually inexact, empirically thin, historically and culturally illiterate, normatively shallow and politically naïve. Although globalisation is widely assumed to be crucially important, theorists generally have a scant idea of exactly what it entails. As media magnate Ted Turner puts it, globalisation is in *fast forward and the world's ability to understand and react to it is in slow motion* (Schalte 2000:1).

Globalisation is setting new trends for governments at all spheres, international organizations, private sector institutions, non-governmental organizations and intersectoral organizations which are being challenged by it. The term is finding new meaning in the lexicon of all nations. Its impact is far-reaching, testing fundamental perceptions and notions of government, with

regard to scope and functions. Its effect is being primarily felt in the political, economic, social, cultural, technological and international environments.

3.2 DEFINITION OF GLOBALISATION

Ballard & Schwella (2000:737) define globalisation *as a continuous evolutionary process whereby functions and influences cross boundaries from one state to another.*

Streeten (1999:62) maintains that: *Globalisation is the process whereby the world's people are becoming increasingly interconnected in all facets of their lives...cultural, social, economic, technological, international and environmental.*

McGrew (1997: 14) submits that *it is a structural shift in the spatial organization of socio-economic and political activity towards transcontinental or inter-regional patterns of relations and exercise of power.*

The question often raised is whether Africa, especially South Africa, after years of isolation from global influences and trends, can integrate positively within the international community as a global player.

3.3 GLOBAL TRENDS

The globalisation impetus is increasing rapidly because of the information revolution. Physical distance is no longer an insurmountable problem.

Modern technologies within the computer industry are speedily revolutionizing all forms of communications and are making an instantaneous impact on the global environment (OECD 1997:2 On-line). However, Groenewald (2000:22) states that globalisation seems to be a debated concept itself. He warns that globalisation can obscure the strong forces of local identity and cultural formation as people become increasingly interconnected in all facets of their lives.

Globalisation trends have a profound effect on the underdeveloped economies and on the relations between the advanced industrialized economies and the underdeveloped economies (Deonarain 2001:58). These effects will be elaborated on in the subsequent chapters.

3.4 GLOBALISATION THEORIES

Globalisation is having an impact on all nation states of the world. Therefore it is imperative to study different globalisation theories. Globalisation is opening up avenues of thinking and action never considered possible before and is forcing the traditional role players in every sector of society to re-think their roles and functions accordingly.

According to Groenewald (2000:22) there are three theories to be identified in the globalisation debate, viz:

- hyperglobalist thesis;
- sceptical position; and
- transformational thesis.

These three conceptualizations of the current global theories are summarized in Table 3.1

TABLE 3.1 CURRENT GLOBAL THEORIES

	Hyperglobalists	Sceptics	Transformationalists
What's new?	A global age	Trading blocs, weaker geogovernance than in earlier periods	Historically unprecedented levels of global interconnectedness
Dominant features	Global capitalism, global governance, global civil society	World less interdependent than in 1980s	'Thick' (intensive and extensive) globalisation
Power of national governments	Declining or eroding	Reinforced and enhanced	Reconstituted restructured
Driving forces of globalisation	Capitalism and technology	States and markets	Combined forces of modernity
Pattern of stratification	Erosion of old hierarchies	Increased marginalization of South	New architecture of world order
Dominant motif	McDonalds, Madonna, etc.	National interest	Transformation of political economy
Conceptualization of globalisation	As a reordering of the framework of human action	As internationalization and regionalization	As the reordering of interregional relations and action at a distance.
Historical trajectory	Global civilization	Regional blocs/clash of civilizations	Indeterminate: global integration and fragmentation
Summary argument	The end of nation-state	Internationalization depends on state acquiescence and support	Globalisation transforming state power and world politics

Adapted from Nye Bedenkopf & Shina (1991:21).

In light of the above definitions, globalisation can be seen as a shift in thinking. Nation States are no longer isolated and geographically bound by their geographical boundaries. Globalisation emphasises a more interrelated, integrated and diffused state of nation states from the rest of the world in terms of social, economic, political, technological and cultural issues. In short, boundaries of nation states are slowly being eroded through the above processes. Globalisation has gained tremendous impetus over the recent past (Deonarain 2001:59).

More and more people see themselves as not being nationals of a particular country but as a citizen of the world. Hence, it would seem that the great visionary John Lennon may yet have some truth in his song "Imagine" when he said, *Imagine there's no country, nothing to kill or die for, Imagine all the people, living as one and the world would be as one.*

Geographical boundaries are man-made and can just as easily be eliminated. Whether or not this will happen will be determined by the passage of time.

3.3.1 The Hyperglobalist Thesis

Hyperglobalist thesis defines a new era, where people everywhere are increasingly subjected to the global market place. The main trend is economic globalisation that is bringing about a denationalization of

economics through establishment of trans-national networks of production, trade and finance (Groenewald 2000:22).

This is also bringing about new forms of social organization that supplant traditional nation states as the primary economic and political units of world society. A new global division of labour replaces the core-periphery structure of international relations with a more complex structure of economic power. New forms of comparative advantage will arise for disadvantaged groups within societies in the long-run but a polarization between winners and losers in the global economy is a real possibility. This era will impose a new sense of identity, displacing traditional cultures and ways of life (Groenewald 2000:23).

3.3.2 The Sceptic's Position

The sceptics argue that globalisation is essentially a myth which conceals the reality of an international economy increasingly segmented into 3 major regional blocs (Europe, Asia-Pacific and North America) in which national governments remain very powerful. Economic activity is undergoing a significant rationalization and the world economy is actually becoming less integrated (Groenewald 2000:23). Some sceptics argue that the world is experiencing a new phase of western imperialism in which national governments, as agents of monopoly capital, are deeply implicated: The convergence of opinion among sceptics is that internationalization has not been accompanied by the erosion of North-South inequalities, but on the

contrary, by the growing marginalisation of many Third World states as trade and investment flow within the rich North intensify to the exclusion of much of the rest of the globe. Such inequality, contributes to the advancement of both fundamentalism and aggressive nationalism, rather than the emergence of a global civilization. The world is fragmenting into civilizational blocs and cultural and ethnic enclaves (Van Niekerk *et al* 2001:286).

3.3.3 The Transformationalists

The third position conceives globalisation as trying to adapt to a more interconnected but highly uncertain world. At the dawn of the new millennium, globalisation is a central driving force behind the rapid social, political and economic changes that are reshaping modern societies and the world order. In fact, globalisation is a powerful transformative force, which is responsible for the massive shakeout of societies, economics, institutions of governance and world order (Groenewald 2000:24).

Globalisation is associated with new patterns of global stratification. Some states, societies and communities are becoming increasingly enmeshed in the global order while others are becoming increasingly marginalized (Petros & Veltmeyer 2001:10). This can be observed by relations among regions and societies becoming less geographical and more social. This results in traditional patterns of inclusion and exclusion being altered. North and South, First World and Third World

are no longer out there, but nestled together within all the world's major cities; unlike during the traditional period of the world social structure. It is envisaged that a global structure will emerge as a three tier arrangement of concentric circles, each cutting across national boundaries, representing respectively the elites, the contented and the marginalized (Groenewald 2000:24).

The World order can no longer be conceived as purely state-centric or even primary state governed because authority has become increasingly diffused among public and private agencies at the local, regional, national and global levels (Van Niekerk *et al* 2001:285). Nation states are no longer the sole centres or principal forms of governance or authority in the world. The conceptualization of globalisation within the hyperglobalist position is restructuring the framework of human action, while the opinion of sceptics is that the world economy is becoming more regionalized, and the transformationalist believe in a more inter-connectedness and inter-regional position (Groenewald 2000:24).

No matter what position is adopted, public administration is a global concept and as long as there are defined structures for communities to steer themselves, service delivery would be achieved for the global citizenry.

3.3.4 Globalisation Strategies

Local governments have been engaging in opening dialogues around the world for the use of highly effective public-private partnership and strategic alliances for survival. eThekweni Municipality has also embarked on opening negotiations with global cities like New Zealand, Australia, Italy and France to meet the impact of domestic, regional and global governance (Report by eThekweni Metropolitan Area 2000:6).

Good governance is far more than the efficient and effective running of the administration. It is about how decisions are taken, how communities participate to influence those decisions and how we empower communities to play this role. The shift in the dynamics from government to governance provides a more integrated approach to management by allowing for greater interaction and stakeholder participation. It also places particular emphasis on public sector collaboration in its quest for service efficiency (Fox & Meyer 1995:55).

The shift in the dynamics from “government” to “governance” is linked to the global awareness that structures of civil society need to be empowered to share responsibility for governance. In this sense, the global strategy of public private partnership and strategic alliance has become critical for local authority survival (Common Local Government Forum 2001:5).

The eThekweni Municipality had conducted surveys with global cities and have emulated, adapted and adopted the best practices of Toronto, Wellington, Melbourne, Rome and Paris to meet local and global challenges (Report on Study Tours 2000, No. 4)..

To become a global player the eThekweni has embarked on an aggressive macro plan which is termed the 20/20 vision to advance into the world of globalisation. This would be discussed in Chapter 4.

3.4 OUTCOMES OF GLOBALISATION

Economic globalisation (trade, finance and investment) has intensified competition globally and has resulted in both positive and negative outcomes.

It has been particularly good for some countries, mainly First World nations and some Third World nations (such as, East Asia, Brazil and Mexico) that have benefited from international trade and foreign investment. The transnational companies in these countries have reaped profits from the global growth of production, trade, investment, capital and sophisticated skills and technology (Streeten 1999:8).

On the negative side, the economic restructuring, liberalization, technological advancement and forceful competition in goods and labour have contributed to increased impoverishment, inequalities, work insecurities, weakening of national institutions and social support systems and erosion of established identities and values (Streeten 1999:8). Economic globalisation has forced

international competition which has resulted in cost reduction, greater efficiency and higher incomes, but the net effect is that it has achieved this at great cost in uncertainty, growing unemployment and inequality (Streeten 1999:5).

3.5 HOW GLOBALISATION IMPACTS ON PUBLIC ADMINISTRATION?

Globalisation exerts powerful pressures on the national government and public administrations. Most distinctive are the pressures regarding public management effectiveness and internationalization of the civil service. The former demands that traditional public administrative culture be transformed into a managerial culture, and the latter involves increasing alignment of national policies and relations with the private sector according to international standards and best practices (Sauer 2001:649).

Globalisation also examines relations between systematic globalizing forces, domestic and international political forces that might favour, impede, ameliorate or even reverse such globalisation (Gummet 1996:3).

3.5.1 Policymaking and Implementation

The policy-making process forms the basis of globalisation. Policy-making and implementation are relevant at all levels of institutions both public and private. A framework is provided for the process operation and application of policy.

Governments have come to the conclusion that effective and efficient policy-making and policy implementation are the key to attracting foreign investment, and are required to retain foreign investments within the boundaries of their countries (Sauer 2001:64). Moreover, the need for policy co-ordination as a comparative tool to assess the extent to which countries are co-ordinated at a national level, for effective participation at the international level, is vital. By deciphering emerging issues and identifying policies that work, its policy makers are able to adopt strategic orientations (OECD 2003:1 On-line).

These tools below may be summed up as necessary guidelines for policy co-ordination at international levels (OECD 2003:1 On-line) :

- Ministers retaining their independence and autonomy in decision-making.
- Open communication lines with all ministers;
- Consultation with other ministers;
- Avoiding divergent viewpoints;
- Inter-ministerial search for consensus;
- Arbitration of inter-organisational differences;
- Setting parameters on discretion for individual organizations;
- Establishing government priorities; and
- Ensuring overall government strategy.

In order to improve the internal management of external relations and more especially the internal policy making, co-ordination and implementation, the above guidelines should be taken into account.

3.5.2 Planning

Most developing countries lack the infrastructure, service delivery networks, capacity, experience, expertise and resources to participate in and influence the process of globalisation which largely impacts on planning (OECD 2003:1 On-line). Strategic planning involves analyzing the environment for opportunities for internal problem-solving and international exchange of strategies. There are innumerable opportunities to share ideas and common strategies to address similar dilemmas. Sharing the benefits of growth is also crucial as shown in activities such as emerging economies, sustainable development, territorial economy and aid (OECD 2003:1 On-line). These exchanges can take on different forms, from regular meetings to developing linkages and networks by using information technology at a global level.

In this way, tapping into global ideas and good practices would ensure an increasing degree of global competitiveness. This is referred to as seeking a “global vision”. With the integrated strategic plan should be a number of good practices which are being used globally and should entail aspects in public management’s reform, including citizen charters, determining new performance and accountability mechanisms, determining measures to emphasize ethical standards and reduce corruption (OECD 1997: 4 On-line).

3.5.3 Organising

For governments to work within the global environment, it must act within a framework that promotes amongst other factors, co-ordinated national thinking in relation to relevant global issues. Global participation and flexibility to evolve with changing circumstances are required. This framework should include the following key elements (OECD 2003:1 On-line):

- the purpose of international action and policymaking in each forum;
- competencies and the limitations of the institutions and processes involved;
- the means by which a national government will participate and will influence international decision-making;
- management of continuing relationships among key parties, particularly the flow of information and dispute resolution procedures;
- consistency with related national goals and policies; and
- legal and constitutional consistency.

For governments to function effectively in an independent world, some structural adjustments and institutional changes need to be explored. Previously, international matters were dealt with by the foreign ministry, now it no longer holds a monopoly over foreign contact. However, its existing functions of traditional consumer services, the provision of negotiation and diplomatic expertise, acting as a source of advice on international law and maintaining a positive attitude abroad, are still important functions (Deonarain 2001:47).

3.5.4 Leadership

One would like to see the emergence of a uniquely South African organization and leadership culture that recognizes values and skills inherent in South Africa's cultural diversity i.e. adopting the principles of "Ubuntu" and the "African Renaissance". In addition, differences of approach should be viewed as a unique competitive advantage which would improve the quality of decision-making.

The growing need to be effective as a leader in multiple settings (private and public), in increasingly larger numbers of different countries (multi-national company), and in a constantly transforming public service (new public management reforms) requires global governance structures. Sauer (2001:659) suggests the following conclusions:

- It will become less and less possible to rely on simple management and leadership concepts. A solution which works today might be a problem tomorrow;
- Leaders have to learn to manage dilemmas and to accept that many of tomorrow's challenges will mean that no single solution is the only valid and best solution.
- Different solutions might be possible and have to be kept alive throughout the increasingly uncertain and complex process of modern government administration.
- Leadership models should become flexible enough to accommodate tomorrow's certain uncertainties but still be practical and useful enough to provide help and orientation for our increasingly challenged leaders.
- Training of future leaders needs to broaden its canned recipes to incorporate a broader range of experimentation through learning in action.

- Future leaders need to become more cognisant of their own “theory in action” and to develop their reflective mind so that they are better equipped to deal with the ambiguity and constant shift of the operational context.

In addition to those leadership issues, further importance is placed on efficiency and effectiveness.

3.5.5 Efficiency and Effectiveness

Apart from the growing competitiveness experienced by multinational companies due to globalisation of markets, many Organization for Economic Co-operation and Development (OECD) countries experience competitive pressures to modernize their public administrations and to make government functions more efficient and effective. Developing and transitional countries also experience greater competition in regard to attracting foreign direct investment or obtaining favourable aid. A well-functioning state and efficient public service have become key factors in national competitiveness for OECD, developing and transition countries (Sauer 2001:649).

Further to the importance of efficiency and effectiveness, additional importance is placed on training and development.

3.5.6 Training and Development

Sauer (2001:614) argues that the modern civil servant needs to acquire a specific base of knowledge, skills, values, competencies and

attitudes. This additional set of knowledge and skills are listed below (Sauer 2001:615):

- foreign language proficiency;
- global mindset;
- knowledge of international law and regulations;
- international policy making procedures;
- international negotiation skills;
- international communication skills; and
- skills in working and leading multi-national task teams.

Increasingly specialized educational and training programmes in global management are being undertaken in France, New Zealand, Australia and the United Kingdom (OECD 1997:5 On-line). These programmes include courses, such as, international affairs and international law, cross-cultural studies and foreign language skills. Other forms of skills development include exchange programmes among national states, secondments (long and short term) of staff to international organizations, such as the United Nations Organizations (UNO), where the exposure to global issues builds the capacities of individuals (OECD 1997:5 On-line). Training and development allows individuals within the government to meet the challenges of globalisation.

3.6 GLOBALISATION – INTERNATIONAL PERSPECTIVES

Globalisation is at the centre of diverse intellectual and political agendas. Crucial questions are being raised about what is widely considered to be the fundamental dynamic with respect to the changes that are radically transforming social and economic relations through the process of globalisation in the 21st century.

Petros & Veltmeyer (2001:11) state that globalisation is both a prescription and a description - an ideology that currently dominates thinking, policymaking and political practice. As a description, it identifies a complex set of changes produced by the dynamics of capitalist development as well as the diffusion of values and cultural practices associated with this development (Petros & Veltmeyer 2001:11). As a prescription, it involves the liberalization of national and global markets in the belief that free flow of trade, capital and information will produce the best outcome for growth and human welfare. Whether it is a prescription or description, it is presented with an air of inevitability and overwhelming connection, betraying its ideological roots.

This new wave of globalisation, has created major opportunities and numerous challenges for relations between the North and the South, 1st World and the 3rd World, developed and developing countries instead of exploring strategies, alliances and partnerships to develop human welfare.

3.6.1 North-South Relations

Van Niekerk, Van der Waldt & Jonker (2001:286) indicate that the World is still split into areas of wealth and poverty, with little prospect of narrowing the gap. The politics of international economic affairs in this period must, therefore, be a politics of equality, inherently a politics of mutual suspicion and struggle.

With the end of colonialism, more than hundred states came into the developing world. Gaining sovereignty, these states were thrown into the international state system, expecting to compete on an equal base with the industrialized state (Van Niekerk *et al* 2001:287). Faced with various social and political problems at home, developing states found it difficult to sustain their own economic and social development. An increased disparity developed, the more the industrial states developed, the further the developing world lagged behind. This was the source of the North-South conflict. The states at lowest levels of the international hierarchy struggled to improve their position in the global pecking order (Van Niekerk *et al* 2001:287).

The nations of the South make up the so-called developing world, sometimes called the “third world”. The following breakdown can be used to identify these states (Van Niekerk *et al* 2001:287):

- The Asian states, with exception of the ‘Asian Tigers’;
- The Middle East; Israel;
- Oceania, with the exception of Australia, New Zealand, Japan and Turkey;
- South America; and
- Africa.

This underdevelopment and shared colonial heritage is reflected in the fact that these states make up more than three quarters of the world’s population but only contribute to less than one fifth of the global goods and are products of being exploited by colonial “masters” (Van

Niekerk *et al* 2001:287). Natural resources were extracted without compensation and expertise was lost as the colonists withdrew. With no significant industry to sustain economic growth, the developing world started to decline. Recent developments have seen that most of the debts incurred were either written off or reduced dramatically by the International Monetary Fund and the World Bank (Van Niekerk *et al* 2001:287).

Norton (1994:491) articulates that the first world or G9 countries, the nations of the North make up the so – called developed world. They are also called advanced democracies and they are the following countries:

- France;
- Germany;
- Italy;
- Sweden;
- Denmark;
- Britain;
- United States of America;
- Japan; and
- Canada.

3.6.2 Developed/Least Developed Countries

According to Kamusella (2000:65) in 1992, 38 economies of the developed countries generated 80% of the world's combined gross national product (GNP), but comprised only 15.2% of the planet's population. In contrast 169 developing economies comprised 84.8% of the world populace and accounted for 20% of the global economic output (Norton 1994:492). The poorest 57 economies (with 60% of the

globe's inhabitants) averaged \$350 per capita GNP (with Mozambique at \$60), while the average GNP of the developed states of the north was \$5443 (with the USA at \$23120 and Switzerland at \$36230).

With more than 160 independent countries and dependent territories that make up the developing world is a group that is regarded by the United Nations as the least developed countries (LDC's) (Van Niekerk *et al* 2001:287). Nearly two-thirds are in Africa and the rest in Asia. These countries display the following common characteristics (Van Niekerk *et al* 2001: 287-288):

- agriculture (primary products), rather than manufacturing and services (secondary and tertiary products), is the predominant form of productive activity;
- approximately two-thirds of the population are illiterate;
- infant mortality rate is of the highest in the world;
- an alarming percentage of the population are affected by HIV/Aids; and
- countries are burdened by increasing debt crises.

The United Nation Secretary General challenged business leaders to join an international initiative – **the global compact** – which seeks to advance responsible corporate citizenship so that business can be part of the solution to challenges of globalisation. We would first need to re-examine the infrastructure of both developing and developed economies and level the playing field before any form of financial assistance be rendered. This would prevent further exacerbation of the poor and rich syndrome.

3.6.3 Oil Exporting Countries

The poverty in some of the Least Developed Countries (LDC's) is starkly contrasted by the pockets of wealth in some of the Middle East nations (Van Niekerk *et al* 2001:288). The Organization of Petroleum Exporting Countries (OPEC) is a permanent inter-governmental organization with five founding members and eight member countries which joined later.

The smaller exporting countries have a per capita income equal to that of the leaders in the oil exporting market. The disparities are equally great. Indonesia and Nigeria compared to other OPEC members such United Arab Emirates (UAE) and Kuwait, have much lower per capita income than other non-OPEC members (Van Niekerk *et al* 2001:288).

Another reason for the disparity is that in most of the OPEC countries, the wealth is concentrated in the hands of oil sheiks. The majority of the population does not have access to wealth and massive price hikes contribute to the perpetuation of underdevelopment amongst some of the OPEC nations.

3.7 GLOBALISATION – A REGIONAL PERSPECTIVE IN AFRICA

We shall continue to challenge a pessimism that expects Africa to fall in any of its endeavours and the undeclared doctrine of collective punishment against all Africans that seem to come into effect when one or some among our leaders stumble (President Thabo Mbeki, State of the Nation Address – 8 February 2002).

The impact of the social, cultural, economic and politic forces in a region impacts on globalisation. For the purposes of this study it is important to contextualize and give a regional perspective on globalisation. The common vision of the African Union, management towards a regional government and a common currency between the states of region sets the belief for the revival of Africa as a global player. This would be achieved by an active and strong partnership between government, labour and business.

According to Van Niekerk *et al* (2001:312), regionalism is the steadfast attachment of a state to a particular region or area. Furthermore, over the past few years the notion of regionalism has changed drastically to encompass economic, cultural, political and social ties between different states belonging to one region. Regionalism involves preferential trade, free flow of citizens, and treaties of mutual place between the states. Another common occurrence is the management towards a regional government and one common currency between the States of the region (Van Niekerk *et al* 2001: 312). The South African Development Community (SADC) and the European Community (EC) are examples of regional co-operation between States (Van Niekerk *et al* 2001:312).

Co-operation with other countries is vital to South Africa's own growth and development (President Thabo Mbeki – State of the Nation Address 8 February 2002):

Government will continue to strengthen economic and other co-operation with countries of the EU, Japan and the rest of Asia, the USA and the Americas, in pursuit of Africa's development, our own national interests and the interest of humanity as a whole (President Thabo Mbeki – State of the Nation Address – 8 February 2002).

Regional organizations such as the European Community (EC), the Association of South East Asian Nations (ASEAN), the Southern African Development Community (SADC), Economic Community of West African States (ECOWAS), and the North Atlantic Free Trade Agreement (NAFTA) tend to dominate international affairs. The main aims of these regional role players are to establish markets of comparative advantage in the modern economic system. In so doing would they be able to sustain any form of growth and development (Van Nickerk *et al* 2001:276).

3.7.1 The 'African Century'

The rebirth of Africa is encapsulated in the vision of an African Renaissance and in the belief that this will truly be the 'African Century'. The African Renaissance vision is an all-embracing concept that draws its inspiration from the rich and diverse history and cultures of Africa. It acknowledges Africa as the cradle of humanity, whilst providing a framework for the modern Africa to re-emerge as a significant partner in the new world order (Daily News, 11 July 2002).

A solid base of peace and security for all citizenry is central to the agenda of the African Renaissance. Efforts must not only be geared towards creating conditions in which there is absence of war, but must also focus on the fundamental improvement in the quality of life of all Africa's people. The African Renaissance is possible because Africans have entered into a new partnership with the rest of the world on the basis of what Africa has determined is the correct route to its own development. *"In hosting the Cricket World Cup and later the President's Golf Cup in 2003; Africans are communicating the message that this is an African Century"* (Thabo Mbeki 2003:3).

3.7.1.1 The Future of the Global Economy within Regionalism

Current literature predicts that regionalism will slow the rate of growth in the global economy, quicken the demise of the World Trade Organisation, and increase tensions among states in the international system. This need not be the case. The consequences of greater regional trade will depend on the following considerations (Van Niekerk *et al* 2001:294-295):

- Regionalism will slow the rate of the global economy only if it proves trade diverting with respect to inter-regional trade, and this will happen only if regional trading blocks raise tariff barriers to external trade.
- The role of the World Trade Organization (WTO) in regional trade will determine the extent of trading between states.
- The argument that regionalism will heighten international tensions must be closely examined.

Globalisation, regionalisation and the international policy economy are three integrated processes that complement one another. It is by utilizing these systems that the developing world can gain the edge needed to sustain economic growth (Van Niekerk *et al* 2001:295).

Even though the current realities in Africa and the rest of the Third World look dismal, the states that make up the developing world must stay focused on the goal of sustainable growth. The emerging market of electronic commerce signals another era in the global economic structure. It could well bring about the long awaited economic growth in the developing world and be the integrator of the global system.

3.7.1.2 The Launch of the African Union (AU)

The transformation of the Organisation of African Unity (OAU) into the AU is an important process in light of the need for a continental structure better suited to meet the challenges of globalisation, and better geared to the goal of the realization of 'The African Renaissance'. Member states of the Union will commit the continent to a departure from the old, in implementing serious changes related to political, economic and corporate governance (African Union, March 2004:4).

3.7.1.3 The Vision of the African Union (AU)

The AU will be Africa's principal organization aimed at the political and socio-economic integration of the continent, which will lead to

greater unity and solidarity between African countries and peoples. It will be based on the common vision of a united and strong Africa and on the need to build a partnership between governments and all segments of civil society, in particular women, youth and the private sector, in order to strengthen solidarity and cohesion amongst the people of Africa (African Union, March 2004:16).

As a continental organization, it will focus on the promotion of peace, security and stability on the continent as a prerequisite for the implementation of the development and integration agenda of the Union. At the Extra Ordinary Summit of the African Union in Addis Ababa, Africa reasserted the wish of the continent for global peace, security and development and expressed itself in favour of the peaceful resolution of the question of Iraq (State of the Nation Address, 14 February 2003). The AU will be the principal institution on the African continent responsible for promoting sustainable development at economic, social and cultural levels, as well as the accelerated integration of African economies (African Union, March 2004:24).

3.7.1.4 Aims of the African Union

A Union Commission reported that the aims of the AU are as follows (African Union, March 2004:24):

- Achieve greater unity and solidarity between African countries and the people of Africa;
- Defend the sovereignty, territorial integrity and independence of its member states;

- Accelerate the political and socio-economic integration of the continent;
- Encourage international co-operation, taking due account of the Charter of the United Nations and the Universal Declaration of Human Rights;
- Promote peace, security, and stability on the continent.
- Encourage democratic principles and institutions, popular participation and good governance;
- Protect human and peoples' rights in accordance with the African Charter on Human and Peoples' Rights and other relevant human rights- instruments;
- Establish the necessary conditions to enable the continent to play its rightful role in the global economy and in international negotiations;
- Promote sustainable development at economic, social and cultural levels as well as the integration of African people;
- Coordinate and harmonise policies between the AU and existing and future Regional Economic Communities for the gradual attainment of the objectives of the Union;
- Advance the development of the continent by promoting research in all fields, particularly in science and technology; and
- Work with relevant international partners in the eradication of preventable diseases and the promotion of good health on the continent.

Stemming from these aims there is ongoing dialogue about the New Partnership for Africa's Development.

3.7.1.5 The New Partnership for Africa's Development (NEPAD)

This New Partnership for Africa's Development (NEPAD) is a pledge by African leaders based on common vision and a firm and shared connection, that they have a pressing duty to eradicate poverty and to

place their countries, both individually and collectively on a path to sustainable growth and development and at the same time to participate actively in the world economy and body politic. The programme is anchored in the determination of Africans to extricate themselves and the continent from the malaise of underdevelopment and exclusion in a globalising world (NEPAD 2001:1).

The Preparatory Committee for World Summit on Sustainable Development (WSSD) was held in Bali on the 10 June 2002. It focused on providing a global consensus on the main framework for the summit and outlined the following core elements:

- summit must focus on all 3 pillars of sustainable development, viz, social development, economic development and protection of the environment.
- the overall target of summit is the millennium development goal to halve poverty by 2015.
- the need to agree on a concrete programme of action in areas which include water and sanitation, energy, health, agriculture, food, security, education and bio-diversity.
- the need to agree on a global partnership between rich and poor countries and between governments, business and civil society for sustainable development.

3.7.2 Studies of Some Countries in Africa

The continent is still faced with wars, famine, disease, military dictatorships, human rights abuses, corrupt leaders and lack of provision of basic needs and services. There is still a shortage of good roads, schools, health facilities, houses and opportunities for employment, while some leaders are driving around in luxury imported

cars, surrounded by bodyguards and generally enjoying lavish life styles (Daily News 2002:11).

According to the World Bank in (Mabogunze A: 2001:171), generally the reasons for the failure of decentralization of power and provision of resources was as a result of:

- lack of clear objectives;
- ambiguous legislation;
- poor planning of the decentralization process;
- inadequate resources;
- shortage of skilled personnel to service the reform; and
- poor overall management.

3.7.2.1 Ghana

It is 45 years since Ghana became the first African country to be freed from colonialism, but very little has been achieved to solve the social, economic and political ills which continue to plague the country (Daily News 2002: 11). African leaders still blame slavery, colonialism and racism for their failures to reconstruct the continent and to address poverty and development.

Ghana has the Atlantic Ocean, sand and sea, colourful traditional festivals and customs, and dozens of ancient slave forts and castles with lyrical names – all recognized as World Heritage monuments by UNESCO. These architectural wonders are imbued with history and a dark past, testament to the transatlantic slave trade dating back to the 18th and 19th centuries (Sunday Times 2003: 20).

3.7.2.2 Zimbabwe

Nelson Mandela's vision of a united rainbow nation is as strong as ever, on the role of ordinary Zimbabweans. They must remain in Zimbabwe and put forward their ideas and insist on discussions between the main political parties. This involves the participation of leaders on a national level, provincial leaders, local government leaders and leaders in villages.

If people don't accept the integrity of their enemy, then they can't think about a solution. They must accept one and another's integrity and continue debating, but not run away from their country (Sunday Times 2002: 19).

The recent elections of 2003, killing of the white farmers, migration of skilled people are but a few of the problems and challenges currently faced by the Zimbabwean Government.

3.7.2.3 Zambia

In Zambia, as indicated by President Kaunda at the beginning of the process in 1969, the programme was to decentralize most of the party and government activities while retaining effective control of the party and government machinery at the centre in the interest of unity (Mabogunze:2000:171).

It is clear that what was being decentralized was really governmental activities, a process which is now more correctly referred to as deconcentration. The people involved in the decentralization process are invariably lower-level bureaucrats, responsible to a higher authority and not to people who elected it (Mabogunze: 2000:171).

Zambia is a diverse land both in physical features, climate and tourist attractions. Much of the adventure in and around the city is built around the magnificence of the Zambezi River, Africa's fourth largest system, which runs through six countries on its journey from the Zambia/Congo border into the Indian Ocean (Sunday Times 2003: 20).

In his State of the Nation address in February 2002 President Thabo Mbeki remarked that *governance is not about pushing buttons and things happen instantaneously.*

Like all other democratic world governments, the South African government will work tirelessly not only to meet the global trends, influences and challenges that it faces on a day to day basis, but the internal domestic challenges which are equally important for the South African government's contribution to the national effort i.e. to build a better life for all using the following projects to achieve its broad objectives (Feb 2002:3):

- reduce the level of poverty,
- develop our greatest resource - our people,

- improve the quality of life of all our people,
- intensify its attention on question of social equity,
- achieve higher rates of economic growth and development,
- improve the efficiency of government,
- strengthen and entrench our system of democratic governance,
- work to discharge its current international responsibilities, and
- participate in, encourage and promote the involvement of as many of our people as possible in the people's campaign, Vukuzenzele.

3.8 GLOBALISATION: NATIONAL PERSPECTIVES IN SOUTH AFRICA

South Africa is built on a dream that was worth dying for and many did. That dream turned into a miracle, a miracle we are all hoping can be translated into economic growth and success in the global market place (Business Report Editorial – 29 July 2001).

3.8.1 Role of South Africa within the International Community

Contribution to peace, stability and democracy is central to the role South Africa seeks to play in the international community (Thabo Mbeki 2002: 4):

- The South African government deployed South African National Defence Force (SANDF) members to Ethiopia, Democratic Republic of Congo (DRC) and Burundi, to help create conditions that allow the people of those countries to find solutions to their problems.
- South Africa will continue with efforts towards peace and development in the DRC, Angola and the Comores.
- In pursuit of stability in our region, we have been working tirelessly to support the people of Zimbabwe in their quest to hold free and fair elections in their country.

- The South African government will do the necessary to help bring peace and security to the people of Palestine and Israel.
- South Africa will continue to strengthen relations with countries of the South. This will include continued trade negotiations with Mercosur, China, India, and the United States.
- South Africa's role in international relations to take forward decisions of the Non-aligned Movement and African Union.
- Assist the United Nations in realizing the commitments of the World Conference Against Racism and the World Summit on Sustainable Development, which was hosted by South Africa.

3.8.2 South African Development Community

The South African Development Community (SADC) is governed by a summit comprising the heads of all member states whose role is to advise the summit on matters of policy and promote efficient and harmonious functioning and development of the SADC. They have stated objectives and implementation plans of action to ensure that these objectives are developmental, creative and promote the harmonization and co-ordination of international relations of member states (Van Niekerk *et al* 2001:290).

The biggest obstacle SADC has faced is the slow pace of economic integration and development. This has been impeded by the colonial-induced trap of exchanging raw materials for First World products, debt, hunger for foreign currencies, wars and internal conflicts (Van Niekerk *et al* 2001:292). Southern Africa's advancement toward an African Renaissance through regional organization

ultimately rests on the pace and structure of regional integration, an area over which members can exercise considerable control (Van Niekerk 2001:293).

3.8.3 Role of South Africa within Africa

South Africa has hosted the launch of the African Union and the World Summit for Sustainable Development in July 2002, two summit meetings of great significance to Africa and the world:

The founding summit meeting of the African Union (AU)

(Sunday Times 2002: 22):

- disbanded the Organization of African Unity (OAU) and launched the AU,
- was tasked with decisions about peace and stability, and about good political and economic governance in Africa; and
- considered implementing development programmes as part of the New Partnership for Africa's Development (NEPAD), aimed at alleviating poverty and underdevelopment on the continent (Sunday Times 2002:20).

The Johannesburg World Summit for Sustainable Development

(WSSD 2002:7 On-line) achieved the following:

- focused on development and the eradication of poverty; and
- built on the UN Millennium Summit of 2000 and the Mexico Conference on Financing for Development.

Various projects envisaged in NEPAD will start to unfold in different parts of the continent, as South Africa turns the ideas of African renewal into practical action and gives force to Africa's commitment to making this The African Century (NEPAD 2001:14).

3.8.4 Globalisation: A South African Perspective

The nations of the world elected to come to South Africa because the nations understand and appreciate what South Africa has done in the last 10 years of democracy. This is precisely the same question that are on global agendas and the world order is convinced that South Africa can make a valuable contribution.

Therefore, to move positively towards becoming the African Century, President Thabo Mbeki, in his State of the Nation Address: 14 February 2003, states that the government will work further to:

- Expand service provision;
- Improve the efficiency of the Public Service;
- Increase social and economic investment;
- Encourage Black economic empowerment;
- Devote great all round attention to the challenge of human resource development, to help reduce the unemployment levels;
- Introduce further improvements within the criminal justice system;
- Further work on the important matter of moral renewal;
- Expand system of relations with the rest of the world;

- Accelerate the process of the formulation and implementation of the first NEPAD projects; and
- Advance the African Union agenda, including the important issue of peace and security.

Globalisation has transformed the way in which the dominant forces in the global economy have come to define their interests in the world outside their own home base (The African Communist: Second quarter 1998: 42-43). These are no longer focused on ensuring access to cheap raw materials in the periphery, plus whatever degree of access to foreign commodity markets could be obtained was compatible with maintaining protected access to one's own home market.

The current agenda for trans-national capital now seeks a much broader and far-reaching breaking down of barriers to the free movement of commodities and capital across national borders as well as the removal of impediments to the location of production processes in any part of the world (The African Communist: Second Quarter 1998:42-43).

South Africa depends on its engagement with the world economy for around fifty percent of its GDP, and withdrawal or isolation from the world economy is not an option (The African Communist: Second quarter 1998:44). World trade is expanding and globalisation has been associated with a communications and information technology revolution. The expansion of world trade has made it possible to boost economic growth by increasing and diversifying exports in order to

reduce dependence on primary products (The African Communist: Second quarter 1998:44).

Moodley & Reddy (2000:12) indicate that transformation within the economic sector has to include the following fundamental objectives:

- A competitive platform for a powerful expansion by the tradable goods sector;
- A stable environment for confidence and a profitable surge in private investment;
- A restructured public sector to increase the efficiency of both capital expenditure and service delivery;
- New sectoral and regional emphasis in industrial and infrastructural development;
- Greater labour market flexibility; and
- Enhanced human resource development.

In keeping with these objectives, the Growth Employment and Redistribution (GEAR) strategy was designed. This integrated strategy includes, the following core elements directed at meeting global trends (Moodley & Reddy 2000:12-13):

- A renewed focus on budget reform to strengthen the redistributive thrust of expenditure;
- A faster fiscal deficit reduction programme to contain debt service obligations, counter inflation and free resources for investment;
- An exchange rate policy to keep the real effective rate stable at a competitive level;

- A further step in the gradual relaxation of exchange control;
- Tax incentives to stimulate new investment in competitive and labour absorbing projects;
- Speeding up the restructuring of state assets to optimize investment resources;
- An expansion of trade and investment flows in Southern Africa; and
- A commitment to the implementation of stable and co-ordinated policies.

Globalisation also poses threats. Tariff reduction requires that countries dismantle barriers to trade, and these are being lowered across the world in a highly unbalanced and selective manner. Advanced industrialized countries continue to maintain relatively high tariff and non-tariff barriers in sectors where developing countries are most competitive, such as agricultural products, clothing and textiles and steel products. This seriously disadvantages countries such as South Africa, which has a level of development that leads it to be seen as a potential competitor, at least in some sectors, to developed countries (The African Communist: Second Quarter 1998:45).

From the above statement, it can be argued that South Africa has a natural resource base which is relatively developed in relation to its neighbours. It is closed geographically than the advanced industrialized economies of 'The North' to the faster growing economies of Asia and Latin America. In addition, South Africa has human response potential and is undergoing a political transition that is strongly supported and much admired by many global key players.

However, South Africa also has weaknesses and vulnerabilities such as the inherited productive economy and the manufacturing sector being relatively uncompetitive. Years of isolation under apartheid, and policies of import substitution industrialization, have left much of the manufacturing sector, in particular, vulnerable to foreign competition.

3.8.4.1 Outcomes of the World Summit on Sustainable Development (WSSD):

The fourth and final Preparatory Committee meeting for the Johannesburg World Summit ended in Bali on 8 June 2002. Owing to the significance of the meeting, it was attended by a large number of Ministers from both developed and developing countries. It was also attended by representatives of civil society and a large contingent of media.

By the early hours of the morning of 8 June 2002, consensus had not been reached on the 'Draft Plan of Implementation for the World Summit on Sustainable Development'. The main areas of disagreement revolved around the trade and financing provisions of the Plan – the so-called 'economic platform' of the document. Developing countries insist that a poverty eradication strategy should not ignore the most important causes of poverty, among them unfair terms of trade and, in particular, the lack of market access for agricultural products from poor countries. Developing countries also disagreed with the rich

countries on the resourcing of the implementation plan (WSSD 2002:8 On-line).

South Africa was of the view that a summit on sustainable development which has poverty eradication as its theme must deal with these questions. The donor-recipient paradigm in which the rich give handouts to the poor does nothing for real economic development and is therefore not a sustainable poverty eradication strategy. By allowing poor countries to sell their agricultural products in rich countries, one of the biggest obstacles to poverty will be eradicated. While aid is important and must be expanded, it is far more important for rich countries to do business with poor countries or at least to allow producers in poor countries a fair opportunity to compete with producers in rich countries (Moosa 2002: 2).

The eighteen-month long preparatory process for the summit had been rich and extensive. While the formal preparations are over, South Africa will continue with informal consultations over the remaining three months and it is encouraging that there is now global consensus on the main framework for the summit (Daily News 2002:5):

- The Summit must focus on all three pillars of sustainable development, namely: social development, economic development and the protection of the environment.
- The overall target of the Summit is the Millennium Development Goal to halve poverty by 2015.

- The need to agree on a concrete programme of action in the following areas: water and sanitation, energy, health, agriculture, food, security, education and biodiversity.
- The desire to gain consensus on a global partnership between rich and poor countries, and between governments, business and civil society for sustainable development.

3.8.5 South African Local Authorities: Unicity Concept

Globalisation is a continuous process that is market induced and not policy led. This has specific implications for South African Local Government because of the trends and influences of globalisation.

In South Africa, the local authorities of Johannesburg, Tshwane, Cape Town, Port Elizabeth and eThekweni are plagued by low economic growth and social hardships. The government therefore, has embarked on a reconstruction and development programme to stimulate the economy. However, for local authorities to sustain the influence of globalisation, all local authorities have realized the importance of international networking for their existence (Ballard & Schwella 2000:743).

Globalisation and its impact on governance of local authorities has forced local authorities to become more growth and development orientated by introducing community development and capacity developing programmes to stimulate the economy.

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The eThekweni Municipality on which this study is based needs to embrace globalisation as a reality, commit itself to facing its challenges which will be discussed in the chapter that follows.

3.9 SUMMARY

Globalisation is setting new trends for governments at all spheres. Its impact is far reaching, testing fundamental perceptions and notions of government, with regards to scope and function. The globalisation impetus is increasing rapidly because of the information revolution. People are becoming increasingly interconnected in all facets of their lives.

The chapter has focused on the three theories of globalisation – the hyperglobalist thesis, the sceptic's position and the transformationalist's thesis. In terms of the outcomes of globalisation, economic globalisation has intensified competition globally and has resulted in both positive and negative outcomes. Globalisation impacts on the various aspects of public administration and demands a new managerial culture emphasizing efficiency and effectiveness.

The next chapter focuses on the impact of globalisation on the eThekweni Municipality.

CHAPTER 4

GLOBALISATION: A LOCAL GOVERNMENT PERSPECTIVE OF THE ETHEKWINI MUNICIPALITY

eThekwini is a people's city: it is a city where the principle of Ubuntu-rules. Today, eThekwini is standing on the threshold of a very intense period of real development and delivery. The Golden Triangle formed by the "Sun Coast" in the North, "The International Convention Centre" to the west and new "Point Marine Theme Park" to the south- a strip that is widely regarded as being South Africa's premier domestic tourism destination (Obedi Mlaba – Mayor of eThekwini).

4.1 INTRODUCTION

With the onset of globalisation, the eThekwini Municipality had to re-examine its present status and transform in order to meet not only the global trends and influences but also critical developmental challenges facing the local citizenry. The adoption of the Integrated Development Programme, reorganization in the administration and management of eThekwini has placed it on the path of efficient service delivery.

Besides the Golden Triangle, the eThekwini Municipality has engaged and embarked on another billion rand tourist development which encompasses an all-weather soccer and entertainment stadium of international standard. This would house a planetarium, museum facilities and observatory, a soccer college, ice rink and hotel. The 90 000 seated stadium enhanced the chances of hosting the Soccer World Cup in 2010.

Both the Mayor and the Municipal Manager of eThekwini Municipality have displayed a sense of enthusiasm and commitment to citizen building as an

ongoing process towards a non-racial, non-sexist, united and democratic South Africa.

4.1.1 Globalisation and the eThekweni Municipal Area

The Local Government Transition Act 1993 (Act No 209 of 1993) was intended as a transitional legislative measure to initiate the process of rationalization of local government. It was directed at ensuring that local government became more representative and democratic and that it provided for a more equitable distribution of services and resources (Durban Metropolitan Local Council:1996:1).

In terms of the local Government Transition Act 1993, local government in large urban areas such as eThekweni, Johannesburg and Cape Town established metropolitan councils with local councils within their respective areas of jurisdiction. Metropolitan councils were responsible for the supply of bulk services such as water, electricity, sewage purification and arterial roads. The local councils provided for local functions and included services such as road maintenance, refuse removal, local museums and recreational facilities (DMLC:1996:1).

4.1.1.1 Metropolitan eThekweni Contextualised

eThekweni is a port city located on the east coast of South Africa and has a population of approximately 3 million people in the eThekweni Metropolitan Area (DMA Report no 4: March 2000:3). The Greater eThekweni Metropolitan Area (GDMA) has a wide expanse and stretches from the Tongaat River in the north, to Cato Ridge in the west, and to the Umkomaas River in the south .

4.1.1.2 Political and Management Structure

On 1 June 1995, the interim Transitional Metropolitan Council and four interim Transitional Councils (TC) viz. Central, Northern, Southern and Western were established for the Greater eThekweni Metropolitan Area. The demarcation of the sub-structures and boundaries was as a result of negotiated settlement reached amongst the various participants when the matter came before the Special Electoral Court. The Councils operated as Transitional Councils until the local government elections were held on 26 June 1996 (DMLC:1996:3).

The EMA comprises a Metropolitan Council which oversees region-wide services and six local councils viz. North Central, South Central, North, South, Outer West and Inner West which provide services within the local context.

On 26 June 1996, local government elections were held to elect councillors to the metropolitan council and six local councils. Councillors for the six local councils were elected on the basis that 60% were elected to represent wards, and 40% were elected from political parties on the basis of proportional representation. Twenty-eight councillors were elected to the Metropolitan Council and 42 councillors were elected by the six local councils to serve on the Metropolitan Council. These councillors would hold office until the next elections (DMLC: 1996:3).

The local government elections of December 2000 ushered a new era in governance at municipal level which followed a major restructuring exercise undertaken by the Municipal Demarcation Board.

The Metropolitan Council has an Executive Committee, which is responsible for management, planning, policy and financial control of the Council, and several standing committees to oversee region wide services. These services include, bulk provision of water and electricity, sewage, purification, arterial roads, protection, fire and rescue services, recreational facilities, environmental protection and housing, tourism, and economic development (DMLC: 1996:4).

4.1.1.3 Transformation – Overview of the New eThekweni Municipal Area (EMA)

Clearly, the call for a new way of doing business – one that is more integrated, holistic and citizen-focused – makes sense when one

considers the developmental challenges brought by an increase in the size and extent of the EMA (Integrated Development Plan, (IDP) 2002:2).

The newly demarcated boundary for the eThekweni Municipal Area (EMA) increased the boundary of the previous eThekweni Metropolitan Area by 68%, although only increasing the population by 9%. The additional area is generally sparsely settled, with 50% used for subsistence agriculture, and only 2% under urban settlement. The level of services is generally lower there than for the rest of the EMA and the population is generally poorer (IDP 2002:2).

4.1.1.4 Physical characteristics

eThekweni's Municipal Area is located on the eastern seaboard of South Africa within the province of KwaZulu-Natal, covering approximately 2 297 square kilometres. While the total Municipal Area is only 1, 4% of the total area of KwaZulu-Natal, just over a third of the population of KwaZulu-Natal and 60% of its economic activity is concentrated within the EMA. There is a strong pressure on the natural resource base, and in some areas, environmental carrying capacity is being exceeded (IDP 2002:2).

The EMA is characterized by diverse topography, with steep escarpments in the west to a relatively flat coastal plain in the east. It has 98 kilometres of coastline, 19 rivers and 17 estuaries. This diverse

landform supports a wide variety of terrestrial, freshwater and marine natural ecosystems (IDP 2002:2).

4.1.1.5 The People

The city is an amalgam of racial and cultural diversity, with its African, Asian and European influences creating a vibrant cosmopolitan society. The EMA currently has an estimated population of just over 3 million (IDP 2002:2).

The Black African community makes up the largest sector (65%) of the population followed by the Asian community (21%). The age profile reveals that, although the working age group comprises 68% of the population, there is a relatively large youthful population, with 38% under the age 19 years (IDP 2002:2).

According to quality of life surveys conducted in 2001, less than half (43%) of all the residents are satisfied with their lives, with the levels of satisfaction differing significantly between racial groups. While 75% of white people and 60% of Indian people report being satisfied with their lives, this applies to only 42% of Coloured people and 29% of black people (IDP 2002:2).

4.1.1.6 The Economy

eThekweni is South Africa's major port city with a diverse and vibrant local economy. It is South Africa's second largest industrial hub (after

Gauteng) and has a large concentration of manufacturing activity, directly and indirectly linked to its status as a port city. This port is South Africa's key trading gateway, the main entry and exit point for imports and exports (IDP 2002:2).

With the four major sectors of the economy being manufacturing, tourism, finance and transport, eThekweni has a strong presence in 'advanced' sectors of the economy. Manufacturing, which contributes about 30% to the local economy, has historically been located to the south of the Central Business District (CBD) in the southern industrial basin, but more recently has been spreading to the west, and to a lesser extent to the north. Tourism, another important sector, adds 24% to the local economy and is concentrated along the coast (IDP 2002:2).

Commercial services such as banking, insurance and other financial activities are well developed. While these services have, over the years, been largely concentrated in the eThekweni CBD, there has been a significant move of major businesses to outlying suburban areas, notably Berea and Westville towards the west as well as Umhlanga to the north (IDP 2002:2).

4.1.1.7 The Socio-Spatial Environment

Because of economic and political factors, the spatial configuration of the EMA forms a 'T' shape with two major national freeways forming

the main structuring element of the space economy. The N2 runs parallel to the coast, linking the EMA with the KwaZulu region to the north and the Cape region to the south. The N3 links the EMA with the Gauteng region (IDP 2002:3).

Areas closer to these national roads tend to be well provided with physical infrastructure and social amenities, while areas on the periphery tend to be poorly resourced. Most of the historically black formal residential areas, as well as informal and peri-urban areas, are located on the outer periphery. This space economy has resulted in a distinct pattern of inequity and inefficiencies across the EMA (IDP 2002:3).

4.1.1.8 The Financial Environment

Local government should operate from a sound financial footing with strong financial management systems in place. Council currently holds assets of approximately R8,8 billion and has an annual expenditure of close to R8 billion. About R1,3 billion of Council expenditure is devoted to capital investment with the balance used for operating expenses. Rates provide approximately a quarter of local government income, with the balance coming from a range of sources including, trading activities, business levies, tariffs, investment, income and subsidies (IDP 2002:3).

4.1.1.9 New Approach to Governance

Central to the unicity's plan to do business in a new way, is an acknowledgement of the fundamentally new role of local government. Previously regarded as an agent responsible for the delivery of goods and services to a passive citizenry, local government is now challenged with overhauling old mindsets, assumptions, policies, systems of measurement and organizational behaviour (IDP 2002:3).

eThekwini's new purpose is to facilitate and ensure the provision of infrastructure, services and support, thereby creating an enabling environment for all citizens to utilize their full potential and access opportunities. This will enable citizens to contribute towards a vibrant and sustainable economy with full employment and thus create a better quality of life for all (IDP 2002:3).

eThekwini's focus is therefore on citizens doing things for themselves, with local government providing all the support to make this process happen. Not only is such an approach more effective in a context of scarce resources, but it also has overwhelming support from citizens and civil society groups who are eager to work in partnership with local government to make development happen.

One of the implications of such an approach is the need to ensure that a progressive, systematic and uniform policy on supporting the actions of citizens is in place (IDP 2002:3).

4.1.2 The Vision for the eThekweni Municipality

eThekweni's first 5 year IDP was prepared in the context of the new Vision that has been crafted collectively as part of the preparation of the Municipality's Long Term Development Framework (LTDF). The main focus that emerges is improving the quality of life for all its people. To achieve this, it has been agreed that the following seven key challenges must be addressed (IDP 2002:5):

- Creating economic growth, jobs and income;
- Meeting basic needs;
- Alleviating poverty;
- Developing people;
- Managing the HIV/AIDS pandemic;
- Ensuring a safe and secure environment; and
- Striving for sustainability (economic, financial and environmental).

As an African City, this vision draws on the rich and strong social heritage of the region and on the principle of "ubuntu" which places great emphasis on reaching out and caring for each other. Success in the Municipality needs to result in a measurable improvement in quality of life. It is intended that on an annual basis the change in the quality of life of citizens is measured by a quality of life index. This index will be generated from clear indicators and this process will be highly participatory. The quality of life index will be used to establish whether the city is succeeding in its goal of an improved quality of life for all (IDP 2002:5).

By 2020, the eThekweni Municipality will enjoy the reputation of being Africa's most caring and liveable city, where all citizens live in

harmony. This vision will be achieved by growing its economy and meeting people's needs so that all citizens enjoy a high quality of life with equal opportunities, in a city that they are truly proud of (IDP 2002:5).

The vision for eThekweni was developed through a participative process that included local government politicians, officials and representatives from business. The vision encapsulates a range of elements broadly related to economic development, quality of life and people development. Economic development has been emphasised as it provides the greatest leverage in attaining many of the other elements of the vision.

Building increased prosperity sustainable for job creation and better distribution of wealth is central to eThekweni's challenges

4.1.2.1 Key Long Term City Strategies: Making the LTDF happen

The key priorities for the Integrated Development Plan are informed by the Strategic Framework set out in the Long Term Development Framework. The LTDF points out that to put the Municipality on a path to achieve its vision of a high quality of life for all its people, there are three types of actions needed to build a strategic platform. The first are actions to unwind the legacy of apartheid and correct the wrongs of the past. Secondly, actions to build on current strengths of

the City. Thirdly, actions to create the new and invest in the future (IDP 2002:5).

These three sets of actions translate into the three key pillars of the City Strategy, and are therefore the immediate priorities identified in the IDP (2002:5):

- Meeting basic needs;
- Strengthening the economy; and
- Building skills and technology.

Over the past 5 years, the emphasis of local government has been on unwinding the legacy of apartheid by meeting basic needs. This must continue over the next 5 years so that all citizens have access to basic services and decent housing. However, this alone will not help achieve a sustained improvement in the quality of life of citizens. Actions to build on the strengths of the economy will be vital to generate income and jobs. Furthermore, in order for city to become globally competitive, serious efforts will need to be made to upgrade skills and technology so that we become a smart city, connecting with our neighbours and the world (IDP 2002:5).

Given this understanding, the above three areas are the key priorities that are the focus of our IDP. It is important to note that one strategy cannot be prioritized over another, they are inter-dependent. One strategy cannot be implemented without the other, as they all contribute to achieving a high quality of life (IDP 2002:5).

4.1.2.2 Critical Development Challenges

The eThekweni Municipality Council faces a set of complex development challenges that needs to be addressed both in the short and longer term. This section highlights some of these critical challenges.

4.1.2.2.1 Economic Growth and Job Creation

At the centre of eThekweni development challenge is the need to strengthen the economic base of the city. Clearly, the welfare and quality of life of all eThekweni's citizens, as well as the ability of the Council to meet their needs, is largely dependent on the ability of the city's economic base to generate jobs and wealth.

Whilst eThekweni's per capita Gross Domestic Product (GDP) income of R19 943 is higher than that of South Africa as a whole, it is far less than that of comparable middle income countries. In fact, it declined at a rate of 0.3% pa between 1990 and 1999, resulting in declining standards of living. The eThekweni economy is currently growing at a low 1,8% pa (Workshop 2001: 2).

4.1.2.2.2 Meeting Basic Needs

It should be noted that substantial progress has been made in extending basic household services to previously under-invested households, with approximately 75% of all households

having access to adequate levels of basic household services.

The major backlog areas, however, spatially coincide largely with existing informal settlements and peri-urban areas (Workshop 2001:2).

4.1.2.2.3 Alleviating Poverty

Whilst poverty is multi-faceted and difficult to measure, the most common measurement is based on income levels. Using this indicator, it is estimated that 23% of the city's population suffers from extreme poverty (people earning less than R300 per month per person) and that 44% suffer from poverty, (people earning less than R410 per month per person).

Poverty is concentrated amongst Africans (with 67% being classified as poor) and Indians and Coloureds (with 20% being poor). Women are three times more likely to fall into the ultra poor category than men, whilst children are the most vulnerable to poverty with half of all children in the city identified as being poor (Workshop 2001:2).

4.1.2.2.4 Developing People

The city's greatest asset is its people. Historically, eThekweni has not meaningfully invested in developing its people (Workshop 2001:2). With regard to the skills base, it is of concern that 16% of all adults are functionally illiterate, 38% of

the adult population has matriculation and only 8% has tertiary qualifications (Workshop 2001:3).

In terms of employment skills, there is a gap at all levels between the skills required in the workplace and the skills in the working population. For example, 60% to 70% of information technology graduates from universities in eThekweni leave the region immediately after finishing their degrees.

As the Council has not previously been involved in promoting skills development and overcoming this skills gap, this issue poses a problem resting with the welfare sector and community organizations. The Council, itself, does not yet have a comprehensive workplace policy for HIV/AIDS, and there has been little activity by the Council to manage the impact of AIDS on its ability to perform its functions. Clearly then, if eThekweni is to achieve its vision, it needs to address the gap of a high rate of HIV/AIDS infection and lack of an effective and co-ordinated response to the HIV/AIDS pandemic (Workshop 2001:3).

4.1.2.2.5 Ensuring a Safe and Secure Environment

People within the eThekweni Municipality are exposed to unacceptably high levels of risk, although these are lower than in other major cities in South Africa. In terms of violent

crimes, during 1999, eThekweni experienced 82.5% of incidents of murder, 87.0% incidents of attempted murder and 397.1 incidents of robbery with aggravating circumstances per 100 000 of the population (Workshop 2001:3). This is still unacceptably high, but much lower than Johannesburg. Given the strong linkage between safety, economic development, and investor confidence on the one hand and safety and social development on the other, ensuring a safe environment will remain one of the city's main challenges (Workshop 2001 : 4).

Over and above crime, if the city is to meet its vision, the issues of high levels of road accidents, slow response times for fire emergencies, and poor information on the nature and levels of risk within the Unicity, need to be addressed.

4.1.2.2.6 eThekweni Metropolitan Area and the Unicity Concept

The establishment of the unicity concept marked the final phase of the transition process as envisaged in the Local Government Transition Act 1993. This implied that eThekweni now has a single metropolitan council and a single administration and will operate as a unicity metropolitan area (DMA Report No. 4: March 2000:3). This became a reality after the local government elections in December 2000.

In preparation for the establishment of a unicity Metropolitan eThekweni, the existing metropolitan council and six local councils, have established a Unicity Committee (DMA Report No. 4: March 2000:3).

This Committee has been mandated to prepare for the Unicity eThekweni on a co-ordinated and united basis (DMA Report No. 4: March 2000:3). The Unicity Committee has the support of all the political parties within the eThekweni Metropolitan Area (DMA Report No. 4: March 2000:3).

The following challenges have been identified as being relevant in the re-structuring of local government (DMA Report No. 4: March 2000:3):

- The establishment of developmental local government which can respond holistically to challenges of managing cities (local, national and global);
- Ensuring, within the relevant legislative guidelines, the establishment and interface of representative political, administrative institutional and appropriate delivery systems; and
- The management of change during the transitional period as well as ensuring the involvement of all stakeholders in this process.

Arising from the aforementioned challenges, the Unicity Committee has decided to restructure the administrative institutional and delivery systems through a process emanating

from the following key investigations (DMA Report No. 4: March 2000:3):

- Determining the status quo of service delivery in metropolitan eThekweni and identifying elements of the existing delivery systems that work well;
- Reviewing national and global thinking and practice on the changing role of government, and in particular local government, and then identifying the most appropriate service delivery systems, within the peculiar local environment;
- Recording international best-practice of service delivery options for municipal services;
- Undertaking study tours to obtain first-hand knowledge on the changing role of local government service delivery; and
- Undertaking studies and investigations on delivery option-specific issues for various municipal services; e.g. specialist investigation on utilities, such as, electricity and water.

In keeping with the aforementioned goals, the Unicity Committee undertook international study tours with the following objectives of (DMA Report No. 4: March 2000:4):

- Examining the historic change that has occurred in local government, and in particular the changing role of local government as a service provider, including an overview of services which local government is responsible for and the most appropriate delivery systems for each service;
- Establishing how choices on different delivery options were made and the pros and cons of each;
- Investigating stakeholders/consumer satisfaction with the changing role of local government and various delivery systems; and
- Receiving comments on lessons to be learnt in the restructuring of municipal service delivery.

Both officials and councillors undertook two study tours. The first study tour focused on Wellington, New Zealand and Melbourne, Australia. The Wellington study tour was undertaken because the most public sector reform had taken place there in the last decade. The Melbourne, Australia study was undertaken because of that city's experience in municipal partnerships in service delivery (DMA Report No. 4: March 2000:5).

The second study tour was taken in Rome, Italy and Paris, France. These study tours viewed the social democratic experience of these cities and the greater involvement of government in service delivery (DMA Report No. 4: March 2000:5).

The broad objective of the study tours was to understand the international experience of world cities which play an important role within the global context. The eThekweni Municipality could adopt and emulate the best practices.

4.2 REORGANISING THE ADMINISTRATION

In developing an approach to organizing the administration of eThekweni, there is a need to ensure that the municipality provides the organizational basis for addressing challenges within the constitutional requirements, international context, strategic direction and eThekweni's critical developmental challenges (Council Report by Municipal Manager: 2002):

4.2.1 International Best Practice Lessons for the eThekweni Municipality

Arising from the study tour, the following elements of the key best practice lessons and the reorganizing of the eThekweni Municipality were considered for implementation by the Unicity Committee (DMA Report No. 4: March 2000:5).

4.2.2 Change, reform and its management

It was evident that much change was taking place within the local government sphere both nationally and internationally. These changes had been initiated by responses to local, national and global pressures. However, the nature and scope of change were peculiar to individual cities and the relevant regional and national legislative frameworks (DMA Report No. 4: March 2000:5).

Within the South African context, the framework for reform had been outlined by both local government legislation and the Local Government White Paper (DMA Report NO. 4: March 2000:5). It is within this context that structural management reform for the eThekweni Municipality is being envisaged.

It was generally accepted that the city had seen the greatest measure of by Council and senior management staff. There was widespread unanimity in this regard, as well as a need for the reform process to be

phased in rather than an 'instant' implementation expectation (DMA Report No. 4: March 2000:8).

Change and reform always create anxieties, tensions, and potential conflicts. Therefore, change management is necessary to minimize conflict. In order to do this successfully, all stakeholders (including councillors, officials, staff, unions, communities, non-governmental and community-based organizations and the private sector) must be fully involved in the process of reform and change (DMA Report No. 4:March 2000:8).

4.2.3 Improving efficiency, effectiveness and economy

The primary reasons for restructuring and reform were to improve the delivery of municipal services as efficiently, effectively and as economically as possible within local circumstances (DMA Report No. 4:March 2000:6).

4.2.4 Public Accountability

An important and significant part of the reform process was ensuring public accountability of Council's actions to the ratepayers and consumers within the local authority. This was executed through clearly defined plans and programmes with measurable outcomes. These performances could be monitored and reported to Council and open to public debate and enquiry. The participation of the public in the preparation of the budget was considered to be imperative.

Moreover, the Council's performance was reported in the annual reports and open to public scrutiny (DMA Report No. 4: March 2000:7).

4.2.5 Definition and separation of roles

It is considered important to define and clarify the roles of both politicians and officials. In addition, it is necessary to clarify the concepts of policy, regulation and implementation.

Politicians and officials

It was evident both in Australia and New Zealand that an important element of the reform process emphasized the definition and separation of the role of politicians and officials. Politicians were charged with the responsibility for policy and strategic direction of the local authority. Officials were tasked with operational, and implementing of Council policies (DMA Report No. 4 March 2000:7).

Policy, regulation and implementation

Council sets out policy, which is then implemented by municipal officials. In Australia and New Zealand, a clear distinction between funder (client) and provider (contractor) is made to ensure the understanding of their specific roles. This distinction allows Council to clarify at the outset it's desired outcomes as funder of services and infrastructure. In addition, it is able to monitor and manage the

performance of those providing the service and/or involved in the implementation, to achieve the desired. In this manner, Council ensures greater understanding of roles and functions as well as obtaining the best value for money (DMA Report NO. 4: March 2000:7).

4.2.6 Determining institutional forms of delivery

It was found that cities in Australia, New Zealand, France and Italy, had, early in their reform process made a choice on the type and form of the model that would be used in service delivery. It was evident that for many of the utility services, such as water, transport, electricity and gas, the state company model or the public sector company model (with variations) was used. This model allowed for flexibility in its management, and by using business management practices, provided for the greatest degree of efficiency, effectiveness and economic development (DMA Report No. 4: March 2000:7).

4.2.7 Benchmarking, outsourcing, and competitive tendering

Benchmarking sets an acceptable standard by which outputs can be measured and by which corrective measures can be instituted. It is therefore essential to implement a system of benchmarking so that a comparative study between Council's service delivery and that rendered by other delivery agents can be assessed. In this way

performance evaluation may be conducted, and improved efficiency and effectiveness may be ensured (DMA Report No.4: March 2000:7).

Benchmarking is linked to both competitive tendering and outsourcing of services. This is necessary to ensure that external service providers (contractors) deliver services more efficiently and effectively. In order to obtain maximum benefits of outsourcing, it is necessary for the benchmarking of service delivery and an analysis of the market is essential. If a service cannot be outsourced, because a private contractor cannot provide it, e.g. social services, it must nevertheless be benchmarked, so that it can be evaluated in respect of its performance (DMA Report No. 4:March 2000:7).

It is evident from the aforementioned discussion that the study tour and the reorganization of the eThekweni Municipality empowered the participants with knowledge and ideas that need to be debated and discussed at a wider forum of stakeholders. Thereafter, decisions on the best practices that are most suitable for eThekweni Municipality have been made and implemented.

4.3 THE WAY FORWARD

In implementing this approach of reorganizing the administration of the eThekweni Municipality, certain legislative measures within global context following strategic direction needs to be followed.

4.3.1 South African Constitutional Requirements

With the demand in local and global influences, local governments need to redefine their roles:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development; and
- To encourage the involvement of communities and community organizations in matters of local government.

4.3.2 Global context

With emerging global trends, eThekweni Municipality has to focus on:

- Globalisation, the market, technology, partnerships and knowledge-based development;
- High average urbanization rates;
- Negative pressures on environmental resources;
- Demands for sustainable livelihoods, services and goods;
- Increased informalisation and casualisation of the workforce; and
- Effects of colonialism, racism, sexism and capitalism on our society.

4.3.3 South African Strategic Directions

With global influences redefining legislative guidelines, strategic

directions warrant (Report by Municipal Manager 2002:2):

- Building a strong local government sphere and enhancing its status within a stable co-operative governance framework;
- Building stable institutional and administrative systems in local government, thus deepening local democracy and accountability;

- Improving and accelerating service delivery and economic development; and
- Building financially viable local government.

Institutional reorganization must not only focus on these challenges but must be structured in such a way that it (Report by Municipal Manager 2002:2):

- Converts existing service units and departments into project focused clusters which are organized to achieve common business processes as well as integrate and deliver on a wide range of outputs;
- Diversifies the use of human resources; allowing for cross-functionality and matrix-style management;
- Allows for Deputy Managers, directly accountable to the Manager, who give strategic direction and preside over clusters of service units to ensure they operate cooperatively;
- Builds internal capacity, but also develops partnerships and where needed outsources functions which are not the core business of the municipality;
- Ensures management has clear performance agreements with all employees having clear job descriptions; and
- Allows for a management team (Manager, Deputy Managers and Service Units heads) who will be appointed as a team to ensure that an appropriate mix of skills and demographic characteristics exists to lead the administration of the municipality (Report by Municipal Manager 2002:2).

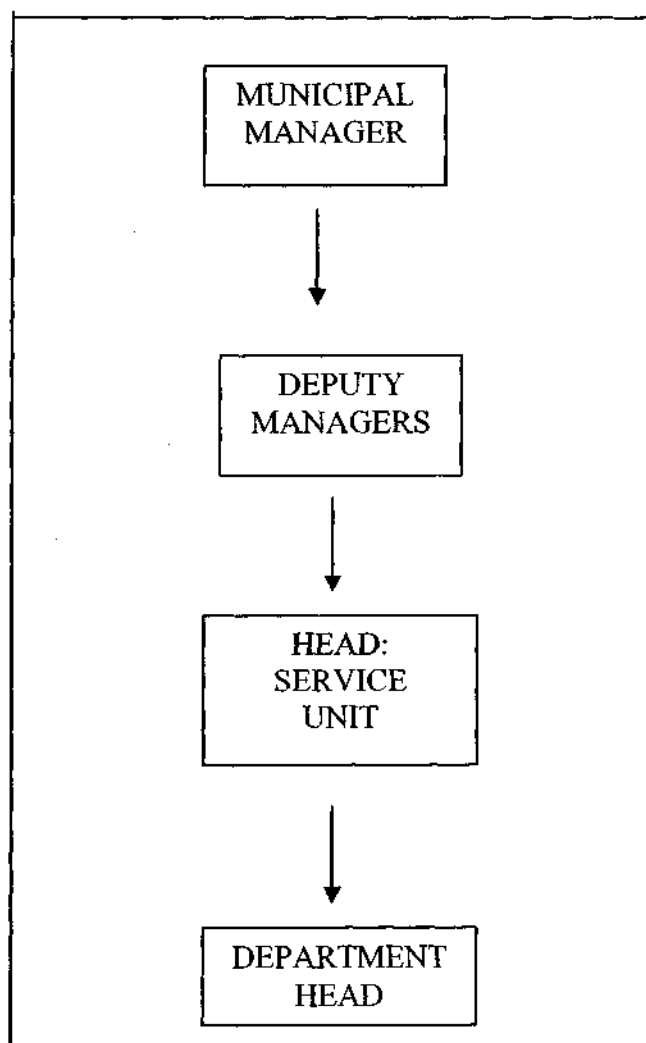
4.4 REPORTING LINES

The reporting lines as indicated in the (Report by the Municipal Manager 2002:2) stipulates that the Manager reports to the Council, its Executive Committee and its office-bearers (particularly the Mayor and Speaker).

The Administration will be organized as follows (see Figure 7 and discussions that follows):

- Municipal Manager, with some portfolio Officers reporting directly to the Manager;
- Deputy Managers who report to the Manager: These Deputy Managers will have defined strategic and line function responsibilities;
- Heads of Service Units which report to specific Deputy Managers; and
- Departments which report to Heads of Service Units.

FIGURE 5: REPORTING LINES OF eTHEKWINI ADMINISTRATION: MUNICIPAL MANAGER'S OFFICE



4.5 MUNICIPAL MANAGER'S OFFICE

In addition to managing the Deputy Managers, four portfolios will report directly to the Manager (Report by Municipal Manager 2002:5):

- Office of Geographic Information and Policy: This office will drive the municipal geographic and information technology programme and integrate all policy review programmes;
- Office of Audit, including performance management;
- Office of the Ombudsperson; and
- Office of International and Governance Relations.

4.5.1 Strategic Management Team

The Manager will establish a Strategic Management Team consisting of the Manager and his Deputy Managers. This committee will meet weekly. The majority of the team will be on contracts linked to the Manager. The roles of Deputy Managers will be to drive and integrate programmes across functional areas as well as to head up clusters.

Six Deputy Managers were appointed into the following portfolios (Report by Municipal Manager 2002:3):

- Sustainable Development and City Enterprises;
- Health, safety and social services;
- Governance;
- Procurement and infrastructure;
- Treasury; and
- Corporate and Human Services.

4.5.2 Executive Team

The Executive Team will consist of the Manager, Heads of the Manager's Offices, Deputy Managers and all Heads of Service Units.

The Executive Team will meet at least on a monthly basis (after Council) to deal with general issues and programmes of council (Report by Municipal Manager 2002:3).

The addition, the Deputy Managers will head clusters of service units which meet at least on a monthly basis to

- review strategic directions and progress on IDP; and
- ensure coordination between departments.

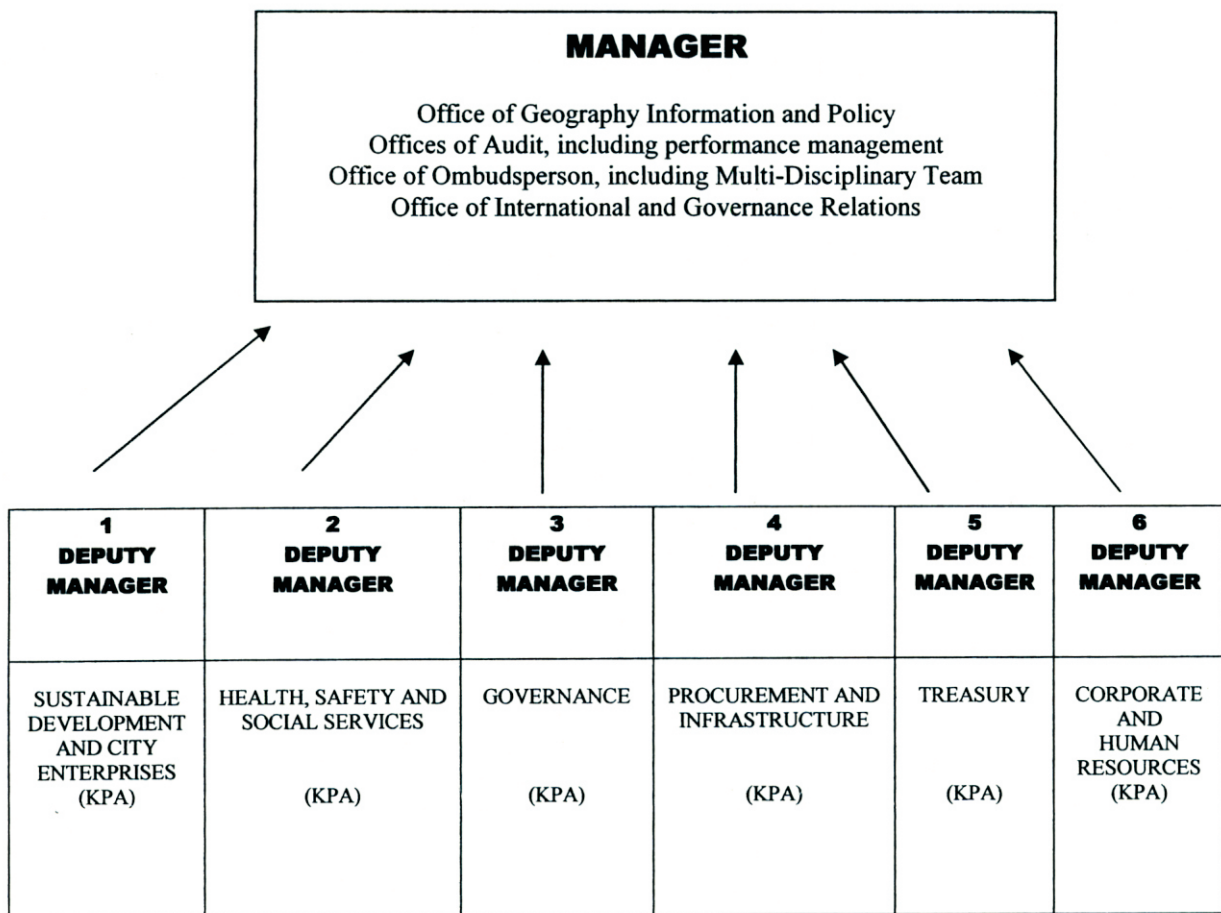
4.5.3 Process

The process that followed was to finalise this first organogram and City Administration organogram included (Report by Municipal Manager 2002:5).

- Endorsing political approval from EXCO. Approval included consent to appoint management team as a whole (to ensure mix of skills, gender, race and experience);
- The matter taken through the process of approval from Unions and Council;
- Advertised Deputy Managers and Heads by end of July/early August 2002;
- Finalised Management Team by end of August 2002 (including interviews);

- Finalised departmental organization; and
- Deputy managers and Heads: Service Units finalise remaining organogram (end September/October 2002) and beginning placement.

FIGURE 6: OFFICE OF THE MUNICIPAL MANAGER



Key: (KPA) = Key Performance Areas

ORGANOGRAM OF THE OFFICE OF THE MUNICIPAL MANAGER

i) Office of Geographic Information and Policy Development

This Office is responsible to drive eThekwin's information technology programme with a specific emphasis on using Geographic Information

Systems to drive management processes. The office will strive to ensure a city-wide integrated, seamless, telecommunication and networking infrastructure. Specific key performance areas will include driving:

- IT Strategy;
- GIS research and monitoring;
- E-Government;
- Develop and manage IT architecture and infrastructure;
- Provide application support;
- Advise on procurement of hardware and software;
- Systems development;
- IT Training; and
- Analyse community expectations, needs and views on delivery programmes.

ii) Office of the Ombudsperson

This Office will undertake three tasks:

- Assist the City Manager, Mayor and Speaker in providing advice around compliance with all relevant legislation, monitoring legislation, and the like;
- Act independently as Ombudsperson (specifically in addressing allegations of racism, sexism, discrimination, etc); and
- Assist the City Manager in investigating and dealing with all forms of maladministration.

iii) Office of Internal Audit and Performance Management

This Office will assist the City Manager in undertaking the following tasks:

- An internal audit function: advisory, compliance and forensic audit service, including value for money audit, risk assessment, computer audit; and
- A performance management function: to roll out and then monitor performance management, including financial performance, HRD and innovation, customer service and business processes.

iv) Office of International and Governance Relations

The Office will assist the City Manager and the Mayor in the development, monitoring and mentoring of co-operative and developmental international, national, provincial and local governance relations. Collectively, these Offices report directly to the Manager and will undertake additional tasks (Report by Municipal Manager 2002:3) such as:

- Assist in the compilation of municipal reports; and
- Undertake research into aspects such as quality of life and other surveys.

In the finalization of Deputy Managers and Service Units, draft outputs have been identified for each area. These are, however, only indicative, and as the organogram positions are finalized, the specific responsibilities for each Service Unit would be determined.

4.6 SUMMARY

This chapter has focused sharply on the eThekweni Municipality repositioning itself to embrace globalisation. It is clear that the eThekweni Municipality had to transform not only to address the developmental challenges facing the local citizenry, but to keep in line with global trends.

Key to the transformation of the municipality was the adoption of the Integrated Development Programme (IDP). The IDP advocates a new approach to governance. Previously regarded as an agent responsible for the delivering of goods and services to a passive citizenry, local government is now challenged with overhauling old mindsets, assumptions, policies, systems

of measurements, policies, systems of measurement and organizational behaviour. eThekweni's new purpose is to facilitate and ensure the provision of infrastructure, services and support, thereby creating an enabling environment for all citizens to utilize their full potential and access opportunities. The great challenge is to strive for sustainable development. The vision is for the eThekweni Municipality to enjoy the reputation of being Africa's most caring and liveable city.

It is evident that in terms of global influences, local governments such as the eThekweni Municipality have had to redefine their roles.

CHAPTER 5

RESEARCH METHODOLOGY

5.1 INTRODUCTION

Probably the greatest and singular challenge facing governments of the world today is globalisation. This investigation focuses on globalisation and its impact on governance of local authorities. The responses reveal that the political office bearers, public officials, trade unions, non-government and community based organisations need to accept globalisation and not ignore global trends and influences.

The objective of this chapter is to present a discussion on the investigative techniques adopted for the purposes of this investigation, together with the research objectives. The research consists of theory search, empirical survey and data interpretation. Furthermore, a complete description of the sample used in this research project, techniques incorporated for analysis of the sample and research instruments will be presented.

5.2 RESEARCH

Research is a process of finding solutions to a problem after a thorough study and analysis of the situational factors. Managers in organizations constantly engage themselves in studying and analyzing issues and hence are involved in some form of research activity as they make decisions at the workplace.

Moreover, good decision- making should have the following guidelines (Sekaran 2002:2):

- managers must identify exactly where the source of the problem lies;
- to correctly recognize the relevant factors in the situation needing investigation;
- the type of information to be gathered and how;
- to make use of the information collected and draw conclusions to make the right decisions finally; and
- to implement results of this process to solve the problem.

It is critical to know to which samples and in which contexts a researcher's findings are applicable. Data can be quantitative (generally gathered through structured questions) or qualitative (generated from broad answers to specific questions).

5.2.1 Quantitative and Qualitative Research

The research process often includes the qualitative and quantitative methods or a combination of the two. A discussion of the characteristics of the two research methods follows Naicker in (Tesch 1992:1):

5.2.1.1 Quantitative Research

According to Naicker in (Tesch 1992: 1) 'quantitative research is a form of conclusive research involving large representative samples and fairly structured data collection procedures'.

It is stated by Struwig & Stead (2001:3) that some of the quantitative research includes:

- Examining variables based on the hypotheses derived from a theoretical scheme;
- Establishing causal relationships (causes and effect) between constructs;
- Results are often generalized beyond the confines of the research sample;
- Replication of a study provides a way of determining the extent to which findings are applicable to other contexts; and
- The individual is the focus of the empirical inquiry.

Finally, in this thesis, this method of research was predominantly used for the purpose of data collection and development of the questionnaire.

5.2.1.2 Qualitative Research

Cooper & Schindler (2001: 139) assert that qualitative research raises several approaches which are adapted for exploratory investigations for management questions. The following highlight some of approaches (Cooper & Schindler 2001:139):

- In depth interviewing (usually conversational rather than structured);
- Participant observation (to perceive firsthand what participants in the setting experience);
- Films , photographs and videotape (to capture the life of the group under study);

- Case studies (for an in-depth contextual analysis of a few events or conditions). In this thesis globalisation and the regional perspectives in Africa reflecting some of the SADC regions was used; and
- Document analysis (to evaluate historical or contemporary confidential or public records, reports, governments and opinions).

The importance of research lies in transforming data into information, insights and knowledge.

5.2.2 Importance of Research

Research adds new knowledge and thereby makes progress possible.

Research is important for several reasons such as (Chaudary 1991: 11):

- It is a basis of government policies – the impact of policies are studied with the help of research. Research as a tool is used to investigate government policies with facts and figures, diagnose events and predict future developments;
- In solving operational and planning problems;
- In solving social problems – research is useful for social scientists because it provides the intellectual satisfaction of knowing things, thereby increasing knowledge in practical life; and

Important for others in following areas:

- For those who are engaged in writing a Master's or Doctorate thesis, research is the basis of their career and helps them in attaining high positions in society;
- Professionals are also engaged in research and for them it is a source of livelihood;
- Philosophers and thinkers engaged in research benefit as it provides them knowledge, ideas and insights;
- Literary men and women get new styles and creative work from research methodology; and

- New theories are generalized with the help of research which has importance for analysts' intellectuals (Chaudary 1991: 12).

It can, therefore, be deduced that research is a source of new knowledge which adds to existing knowledge and is an important benchmark in providing guidelines for solving different problems in the field of business, government and society.

In globalisation and its impact on governance, it is evident that research is a global pre-requisite both for the existence of mankind and in making a better world.

5.3 HYPOTHESES

A hypothesis according to Sekaran (2000: 108) is a logically conjectured relationship between two or more variables expressed in the form of a testable statement. The null hypothesis is expressed as no (significant) relationship between two variables or no (significant) difference between two groups. The alternate hypothesis is the opposite of null, it is a statement expressing a relationship between two variables or indicating differences between groups.

The hypothesis "globalisation is positive and good for South Africa" centres around understanding globalisation and its impact on governance of local authorities, especially at the eThekweni Municipality. The core themes of governance relate to policy, planning, organizing, leadership, training and development control. Globalisation embraces the removal of territorial boundaries, integration of national economics, erosion of sovereign power,

inter-connection in all facets of our lives, westernisation of culture and social systems.

The core themes in respect of this hypothesis are discussed and evaluated in sections that follow.

5.4 THE OBJECTIVES OF THE RESEARCH STUDY

In Chapter One the following key objectives were raised to:

- Understand globalisation and conceptualize and contextualize it within the local government paradigm.
- Review the impact of globalisation on local government governance in general and the Unicity in particular.
- Analyse the changes and adaptations in governance of the Unicity to global trends.
- Make recommendations regarding structural and institutional governance changes that may be necessary to deal with globalisation.

The objectives of this thesis is based on a pattern which is prevalent throughout the thesis in the sections that follow.

5.5 SAMPLING TECHNIQUES AND DESCRIPTION OF SAMPLE

While a population refers to an entire collection of scores or individuals that is being investigated, a sample, on the other hand refers to only a part of the total population under investigation (Harris 1995:436).

The sample size for this research project comprised municipal councillors and officials from the eThekweni Municipality, Integrated Municipal Association

of Trade Unions (IMATU) and South African Municipal Union (SAMU), community based organizations and non governmental organizations. The study was undertaken with a total sample size of 200.

Respondents were drawn randomly from the municipal councillors of eThekweni Municipality, executive directors and directors of eThekweni Municipality, the leadership of municipal trade unions, non governmental and community based organizations. The random sampling technique was chosen to obtain the sample for this study and about forty percent was received.

Random sampling is a method of selecting subjects such that each individual in the population has an equal chance of being selected. The results obtained for the subjects can be generalized to the entire population under investigation (Harris 1995:7).

5.6 RESEARCH INSTRUMENT

The research instrument chosen for this investigation was a questionnaire. A questionnaire is a convenient and effective method of obtaining answers to questions that can either be structured or unstructured. The use of a questionnaire allows researchers to quantify different attitudes, personality traits, opinions and interests of the population under investigation. Furthermore, questionnaires enable researchers to uncover a variety of different biographical data (Harris 1995:45).

5.7 PURPOSE AND DESCRIPTION OF QUESTIONNAIRE

Researchers need to invest a tremendous amount of effort in the design of a questionnaire to protect the reliability and validity of the data (Neuman 1997:244). In designing an effective questionnaire which will provide acceptable content validity, attention needs to be focused on a number of key areas, namely, the wording of the questions, length of the questions, the sequence of the questions and the layout of the questionnaire (Neuman 1997:244).

It is imperative that the subjects understand the questions immediately and provide answers that accurately reflect their attitudes, perceptions and feelings (Sekaran 1994:203). The fundamental objective of this project is to quantify the attitudes, perceptions and feelings of not only the municipal councillors and officials of the eThekweni Municipality, but also to consider the officials from IMATU and SAMU and the non-governmental and community based organizations. The questions were measured on a 5 point Likert scale within the themes of policy, planning, organizing, leadership, training and development and control.

The research study incorporated the use of a structured questionnaire consisting of closed and open-ended questions. The description of the questionnaire follows.

The questionnaire comprised the following sections:

SECTION A

Biographical data

The participants in the research project were asked questions pertaining to gender, qualifications, length of service, position, organization and population group.

SECTION B

General definitions

The purpose of this section was to determine the understanding of globalisation together with the negative and positive impacts for South Africa. It also highlighted perceptions of the opportunities and challenges that globalisation has to offer.

SECTION C

Vision, Mission, Strategies

This section established whether the eThekwin Municipality had a legislative framework that provided meaning and direction for globalisation issues within the organization. It also challenges local government around issues of partnerships, alliances, governance and core themes.

SECTION D

Policy

This section aimed to look at formulating a policy for globalisation within the eThekweni Municipality for the purposes of sustaining the trends of globalisation.

SECTION E

Planning

The purpose of this section was aimed at formalizing a structure for globalisation which follows rationale, strategy, processes and procedures.

SECTION F

Organizing

The aim of this section related to a globalisation committee which encapsulates service satisfaction, diversity, co-ordination, communication and delegation in order to keep abreast of globalisation issues.

SECTION G

Leadership

This section examined the leadership skills, style and quality of decision making that are prevalent within the eThekweni Municipality.

SECTION H

Training and Development

This section traced the nature of training and development which would improve capacities, knowledge, skills and competencies to contribute to organizational effectiveness.

SECTION I

Control

Quality can only be maintained if monitoring, benchmarking and best practices can be evaluated and emulated for the purposes of standing to gain more from the influence of globalisation.

5.8 ADMINISTRATION OF THE QUESTIONNAIRE

The field-work was conducted during the period February 2002 and March 2002. The questionnaire was administered to councillors and municipal officials in the eThekweni Municipality, trade unions officials, non-governmental organizations and community based organizations. Subjects were selected according to senior and middle managers, at director and executive director level who were responsible for policy making.

These subjects were given instructions for the completion of the questionnaire which was designed for computer analysis. The structured questions enabled quick and easy answers since subjects were required to mark a cross (x) in the block which best described their views. The subjects were asked to furnish

additional information for the open-ended questions. A total of 200 questionnaires were distributed of which 70 were considered acceptable and were subjected to analysis. The data was analysed using the Statistical Package for the Social Sciences (SPSS).

5.9 STATISTICAL ANALYSIS OF DATA

In order to provide empirical evidence to support or refute theories, which have been mentioned, statistics have been used. Maharaj (1993:87) describes statistics as *a collection of theory and methods applied for the purpose of understanding data.*

This statistical analysis involved both descriptive and inferential statistics.

5.10 DESCRIPTIVE STATISTICS

Descriptive statistics is an accumulation of methods for classifying and summarizing numerical data. The goal of descriptive statistics is “to provide summary measures of the data contained in all the elements of a sample” (Kinnear & Taylor 1991: 546). In doing so, an analysis of the data incorporated the use of frequencies, measures of central tendency and measures of dispersion.

5.10.1 Frequency

Frequencies are number of times that a response occurs within a category (Sekaran 1998:250). It allows the researcher to calculate

percentages of the occurrence and represent the data as bar charts, pie charts and histogram. At a glance the reader is able to follow a trend and pattern. This could be observed from the bar and pie charts represented from figures 6.1 to 6.25 which calculate responses into percentage (Sekaran 1998:260).

5.10.2 Measures Of Central Tendency

The measures of central tendency summarise data into one number (Neuman: 1997), in order to give a shorthand description of the entire data set (Sekaran 1992:260). The measures of central tendency are the mean, median and mode. In this investigation, the measures of central tendency were used in the overall perception of themes which were policy, planning, organizing, leadership, training and development and control, to summarise data into one number.

5.10.3 Mean

The mean measures central tendency which is the arithmetic average. It is the sum of the observed values in the distribution by a number of observations. It is the location measure most frequently used for interval-ratio data but can be misleading when the distribution contains extremes scores, large or small (Cooper & Emery 1995:681).

5.10.4 Measures of Dispersion

Measures of dispersion include the range, the standard deviation, and the variance, here the measures of central tendency are the mean, and

the range the measure of central tendency is the median (Sekaran 1998:260).

5.10.5 Standard Deviation

The standard deviation is also a measure of dispersion. It is the positive square root of the variance and is perhaps the most frequently used (Sekaran 1992:264). Measures of dispersion as it improves interpretability is by removing the variance square and expressing deviations in their original units. Similar to the mean, the standard deviation is affected by extremes scores (Cooper & Emery 1995:681).

5.11 INFERENCE STATISTICS

Inferential statistics are used for the purposes of estimation of population values and for testing statistical hypothesis.

5.11.1 Chi-square analysis

According to Maharaj (1993:91) in a chi-square test, hypothesized population distribution is compared with a distribution generated by a sample. The objective of chi-square analysis is to determine if the differences observed in two sets of data can be attributed to sampling variations.

With regard to this study, the purposes was to see whether the proportions of values within each were different. The category mentioned is the Likert scale category. This goodness of fit test

compares the observed and expected frequencies in each category to test whether all category have the same proportional values. This could be observed in the research analysis and discussion chapter.

5.11.2 Spearman correlation

Spearman correlation is applied when one wishes to see the nature, direction and significance of the relationship between two variables. To determine if the correlation is significant or not, one examines the level of significance (Cooper & Emery 1995: 681).

Table 6.2 in chapter 6 indicates that there is a significant correlation between the core themes. Policy correlates with a positive perception on planning, training and development and control. The same positive perception exist between the relationship within the other core themes with regards the nature, direction and significance.

5.12 QUANTITATIVE ANALYSES OF DATA

Once the collection of data was completed, the data was edited and captured on the computer by the researcher for statistical analysis. The questionnaires were collated, checked for completeness and numerically referenced to facilitate the process of data capturing. The relevant statistical techniques were applied to test the hypotheses formulated.

It is necessary to formulate the main hypotheses impacting on the study and specifically focusing on the research instruments to determine the appropriate

statistical tools applicable in terms of globalisation and core themes of governance.

5.13 SUMMARY

The chapter covered succinctly the research problem and the main hypothesis. The importance of this research is explained. A detailed discussion of the sampling techniques and the research instruments employed is provided. Both qualitative and quantitative research techniques were employed. A broader overview of the techniques involved in the statistical analysis of data was provided in preparation for the next chapter, where analysis, interpretation and discussion of data will take place.

CHAPTER 6

EMPIRICAL SURVEY: RESEARCH ANALYSIS AND DISCUSSIONS

Research is an organized enquiry carried out to provide information for solving and continuously seeking solutions (Cooper & Schindler 2001:140).

6.1 INTRODUCTION

The research method of the study outlined the procedures followed by the researcher using various descriptive and inferential statistics. The analysis of the results enables the presentation of findings.

This chapter is divided into the following viz:

- Understanding globalisation - positive and negative impact of globalisation;
- Responses within the core themes of governance below using the Likert scale:
 - Policy;
 - Planning;
 - Organizing;
 - Leadership;
 - Training and development;
 - Control.
- Overall observations of core themes; and
- Relationships amongst the core themes.

The analysis and findings were based on the understanding of globalisation, responses within core themes of each hypotheses, overall observations and relationships between core themes.

6.2 QUESTIONNAIRES

HYPOTHESIS 1: UNDERSTANDING GLOBALISATION

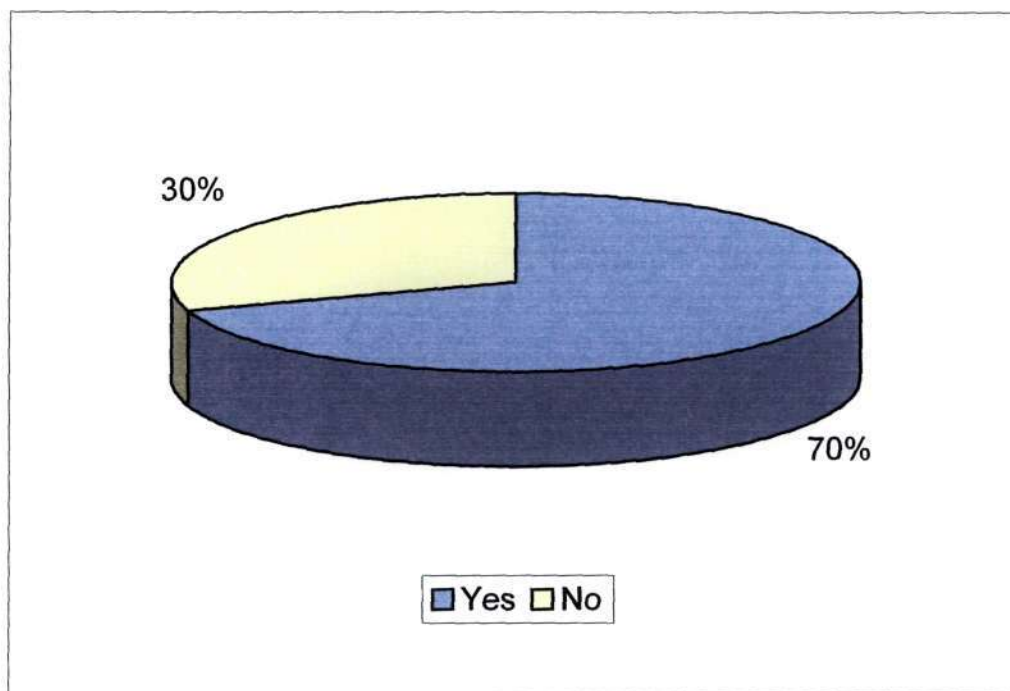
H0 - (null hypothesis) – Globalisation is positive and good for South Africa.

H1 – (alternate hypothesis) – Globalisation is negative for South Africa.

6.2.1 To determine whether globalisation is positive and good for South Africa

This statement tried to ascertain whether views on globalisation was positive for South Africa generally and the eThekweni in particular.

Figure 6.1 Merits of Globalisation within eThekweni Municipality



The pie graph (Fig 6.1) indicates that 70% of the respondents felt that globalisation is positive and good for South Africa, especially within

the eThekweni Municipality and 30% responded negatively. The results are statistically significant at the 5% level ($\chi^2 = 6.818$, $P = 0.009$). Therefore, the null hypothesis is accepted.

Ballard & Schwella (2000:737) supported this view and argue that South Africa cannot ignore the global trends and influences after years of isolation. South Africa needs to integrate positively within the international community as a global player amidst domestic challenges.

Most of the respondents felt that globalisation would have the following benefits:

- Access to facilities towards training and development;
- Advance economically and improve technologically;
- Erode cultural differences and facilitate international co-operation;
- Create opportunities for local business to exploit world markets;
- Potential markets for SA industries to position itself as global player;
- Greater exposure to exportable products;
- Opportunities for networking;
- Obtains knowledge standards;
- Maximum productive capacity; and
- Compel South Africa to elevate standards of service by sharing experiences and measuring performance against international best practices.

A majority response and leading theorists believe that globalisation can be positive for South Africa, if South Africa wants to become a global player. These positive benefits include a quick transfer of rapid innovations from one country to another. However, this does not imply that globalisation is only positive and good for South Africa: there are

also negative effects to be highlighted later which have to be minimized.

This requires that mechanisms be put in place to enhance and sustain these positive effects in order for South Africa to be a strong participant in the global world. An example of this global visibility was South Africa's hosting of the World Conference against Racism, World Summit on Sustainable Development which is linked to the aims of NEPAD, launch of the African Union and hosting of the World Cup Cricket.

6.2.2 To ascertain whether globalisation has negative impacts for South Africa

This statement determines whether views or observations of globalisation had negative impacts for South Africa and eThekweni in particular.

Figure 6.2 Negative impact of globalisation within the eThekweni Municipality

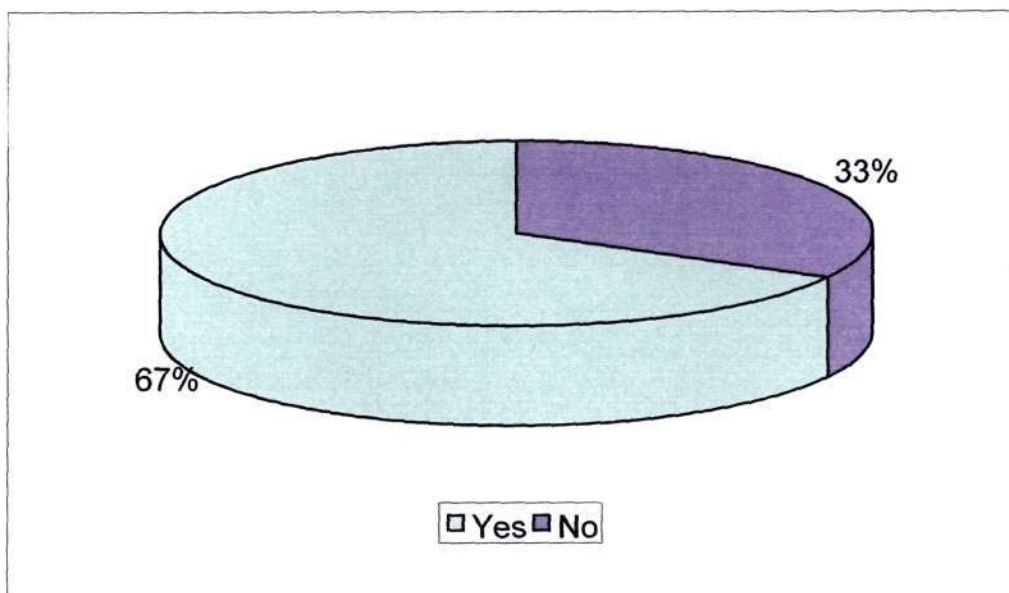


Figure 6.2 indicates that 67% of the respondents felt that globalisation had negative impacts for South Africa, and 33% felt that it did not have negative impacts for South Africa, especially at the eThekweni Municipality. These results are statistically significant at the 5% level ($\chi^2 = 5.452$, $P = 0.020$).

This is further highlighted by Streeten (1999: 8), who submits that economic restructuring, liberalization, technological advancement and forceful competition in goods and labour would contribute to increased impoverishment, inequalities, work insecurities, weakening of national institutions and social support systems and the erosion of established identities and value systems.

Most of the respondents felt that globalisation:

- would raise expectations too soon;
- existing cultures will be overwhelmed by western culture;
- integration into global military system;
- developing nations overpowered by developed nations;
- open borders would attract crime and spread of diseases;
- global needs may not meet local demands;
- manipulation tendencies of multinational corporations; and
- loss of ethnic and cultural identity.

Some respondents cited opportunities that globalisation had to offer as follows:

- co-ordinated decision making;
- income and advancement;
- development of niche markets;
- greater level of local efficiency and customer service;
- poverty alleviation;
- shared information technology, politics and social arena;
- to utilize raw materials rather than exporting raw materials;
- create jobs for the disadvantaged and economic opportunities;
- working together of organisations; and

- breaking of trade barriers.

HYPOTHESIS 2: POLICY

H0 – (null hypothesis) – Globalisation impacts on local government policy implementation, political systems and demands.

H1 – (alternate hypothesis) – Globalisation does not impact on policy implementation, political systems and demands.

6.2.3 Globalisation impacts on policy issues in the political environments with local government such as policy implementation, political systems and demands.

Figure 6.3 focus on the impact of globalisation on political environment within local government.

Figure 6.3 Impact of globalisation on the political environment

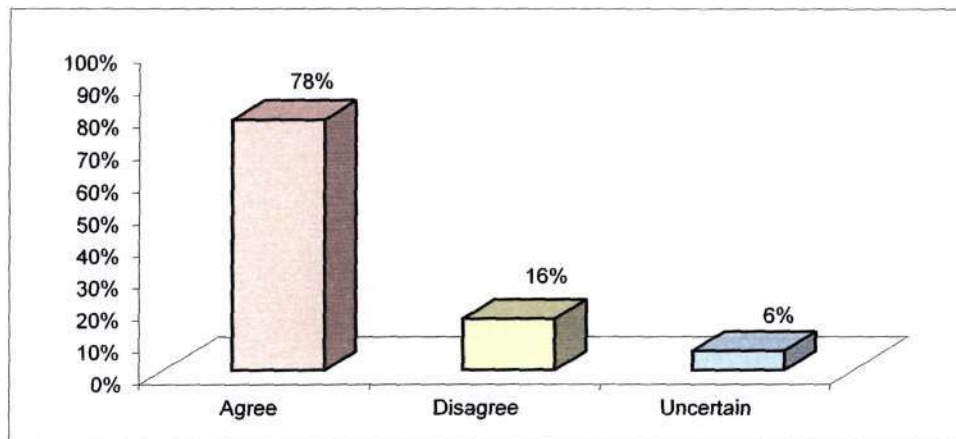


Figure 6.3 indicates that 78% of respondents agreed that globalisation impacts on policy issues on the political environment within local government such as policy implementation, political systems and demands; 16% disagreed that globalisation impacts on the political

environment whilst 6% were uncertain on the impact of globalisation on the political environment. These results are statistically significant at the 5% level ($\chi^2 = 31.09$, $P = 0.000$). Hence the null hypothesis is accepted.

Economic globalisation has resulted in serious challenges as countries trade across national barriers, removing territorial boundaries, integrating national economics thereby eroding sovereign power.

Sauer (2001: 649) is of the same opinion, and reiterates that effective and efficient policymaking and implementation are key to attracting foreign direct investment and inevitably are required to retain foreign investments within the boundaries of their countries.

Some respondents felt that the eThekweni Municipality should take cognisance of the global trends when setting its vision, mission and strategies, and made the following comments:

- as long as the municipal trends complied with normal global standards around health, wealth, housing and employment;
- through its tourism;
- economic and technological trends;
- look at similar regions doing skills training, delivery of services and economic growth;
- benchmark itself against international best practices;
- exchange knowledge of expertise;
- sharing of information and experiences worldwide;

- look at further strengthening and broadening twinning agreements and sister cities;
- liaison with cities in the first world;
- long term development strategy to be taken into account;
- privatize certain aspects, public private partnerships, restructuring citizen service delivery in line with best practices studied on overseas tours;
- ensuring that its targets are in line with cities in both the developing and developed world; and
- integrated development plan in line with foreign investment.

The absence of a tried and tested policy within the eThekweni Municipality has forced the political environment not to seriously adhere to the global trends which would have negative impacts on the economy. The value of having a policy which sets out the legislative framework for globalisation which incorporates leadership, strategic planning, implementation, monitoring and control mechanisms, so that it has an impact not only on governance but is also relevant to the political demands within the political system, being significant.

6.2.4 Globalisation impacts on policy issues in the economic environment within local government such as poverty and underdevelopment.

This statement claims that globalisation impacts on the economic environment within local government.

Figure 6.4 Impact of globalisation on the economic environment

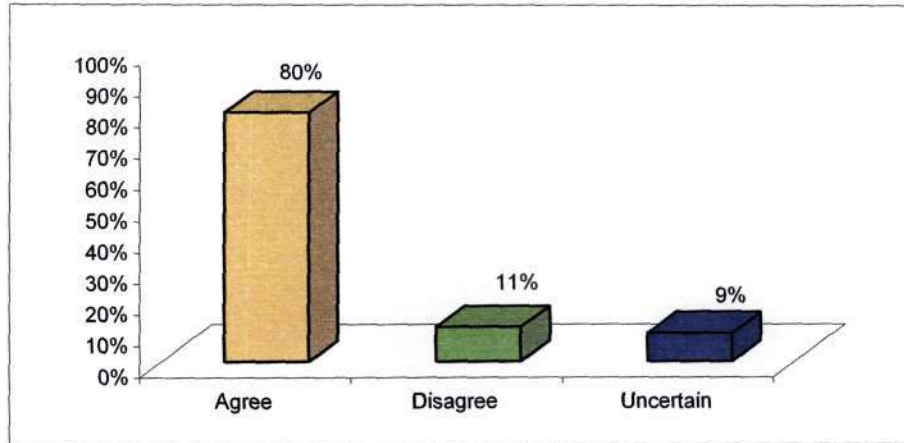


Figure 6.4 indicates that 80% agreed that globalisation impacts on policy issues in the economic environment within local government, such as poverty and underdevelopment; 11% disagreed that globalisation impacts on the economic environment, whilst 9% were uncertain on the impact of globalisation on the economic environment.

Schwella (1991: 19) concurs that the economic environment within local government involves issues such as poverty, unemployment, equitable distribution of wealth, job creation and underdevelopment. Therefore, international economic and monetary institutions such as the International Monetary Fund (IMF) & World Bank (WB) could assist in providing a legislative basis for international and national economic structures and processes. Furthermore, the aim of New Partnership for Africa's Development (NEPAD), provides a framework to eradicate poverty and underdevelopment (Nepad 2001:1), and is a major determining force in shaping appropriate policies.

The majority of responses have indicated that globalisation would have an impact on the economic environment especially around poverty and further underdevelopment. Therefore, as top priority the government is currently engaging in addressing this issue domestically by meeting basic needs, strengthening the economy and building skills. The government is also engaging in ongoing dialogues within the structures of NEPAD, World Bank and the International Monetary Fund for commitment around funding to alleviate the issues around poverty and underdevelopment.

It is not only private sector production that needs to be internationally competitive, but also public sector production. In fact, according to (Abedien & Biggs 1998:24), governance itself is increasingly subject to global standards of best practice.

HYPOTHESIS 3 : PLANNING

H0 – (null hypothesis) – The planning process needs to be put in place within the local government institution to effectively address globalisation.

H1 - (alternate hypothesis) – The planning process need not be put in place within the local government institution to effectively address globalisation.

6.2.5 To effectively address globalisation, the planning process needs to be put in place within the local government institutional organization

This statement intends to effectively address globalisation and whether strategic planning, integrated development planning, service delivery networks and resources needs to feature within local government.

Figure 6.5 Planning process within the local government institutional organization

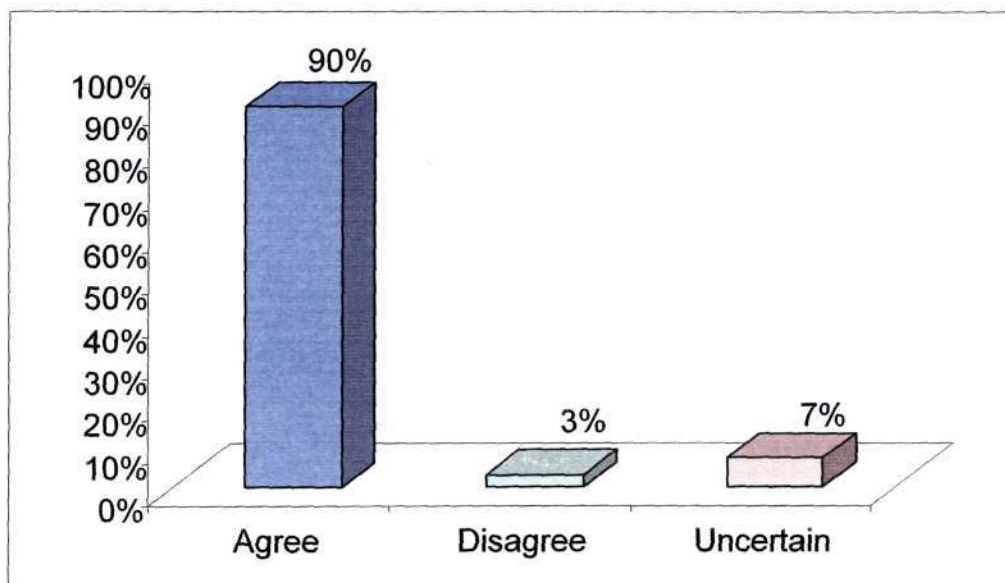


Figure 6.5 indicates that 90% of the respondents agreed that to effectively address globalisation, the planning process needs to be put in place within the local government institution; 7% were uncertain as to the planning process within the local government, whilst 3% disagreed that planning processes needed to be put in place within the local government institutional organization. Therefore, the null hypothesis is accepted.

The Organization for Economic Co-operation and Development shares the same view that an integrated strategic plan needs to encompass good practices which are used globally. These should entail aspects around public management's reform, determining performance and accountability measures, determining measures to emphasize ethical standards and reduce corruption.

To address globalisation, the eThekweni Municipality has adopted the Integrated Development Programme which sets out the strategic framework within the Long Term Development Framework. In order to achieve this vision, the Long Term Development Framework (LTDF) has mapped a plan of action which includes the following: correcting the imbalances of the past, building on current strengths of the city and creating the new, and investing in the future.

6.2.6 Strategic planning at a local level of government should include staff exchanges, secondments, short and long term contracts for shared understanding of respective policy systems and frameworks.

Figure 6.6 affirms that exchanges, secondments and short and long term contracts must be part of the strategic planning at local government level.

Figure 6.6 Exchanges and shared understanding of respective policy systems and frameworks.

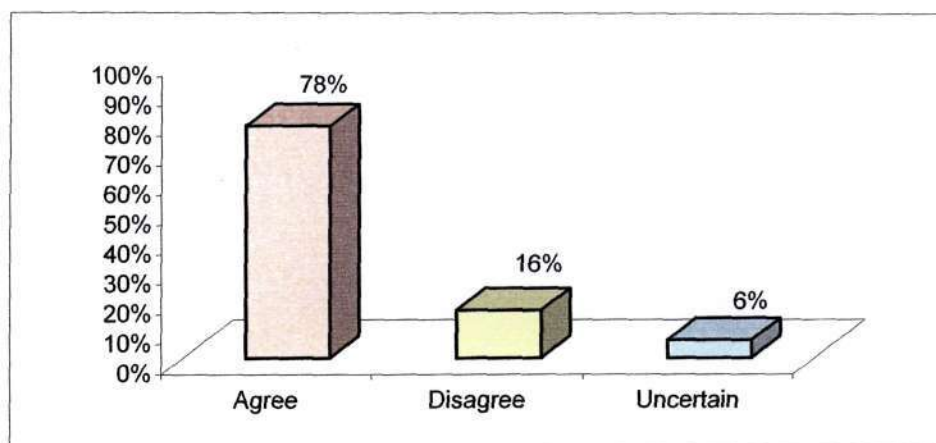


Figure 6.6 indicates that 78% agreed that strategic planning at a local level of government should include staff exchanges, secondments, and short - and long - term contracts for shared understanding of respective policy systems and frameworks. Sixteen% disagreed that strategic planning should include staff exchanges, secondments for shared understanding of respective policy systems and frameworks, whilst 6% were uncertain that exchanges should be included in strategic planning. These results are statistically significant at the 5% ($\chi^2 = 5.121$, $P = 0.024$).

Strategic planning involves analyzing the environment for opportunities to internal problem solving and international exchange of strategies. There are innumerable opportunities to share ideas and common strategies to address similar dilemmas (OECD 1997: On line: 4).

Globalisation is connecting all the worlds' people in all facets of their lives and the key elements of governance are strategic leadership, enabling public discourse, an holistic approach and encouraging to development of a shared framework of values, goals and direction. This shared understanding, with its holistic approach and strategic alliances would be positively received where similar dilemmas exist.

6.2.7 Most developing countries at local government level (specifically within the unicity), lack the infrastructure, service delivery networks, capacity, experience, expertise and resources to participate in and influence the process of globalisation which largely impacts on planning.

This statement asserts whether the views of developing countries lack the infrastructure to engage in the process of globalisation.

Figure 6.7 Developing countries lack the infrastructure to participate in and influence the process of globalisation.

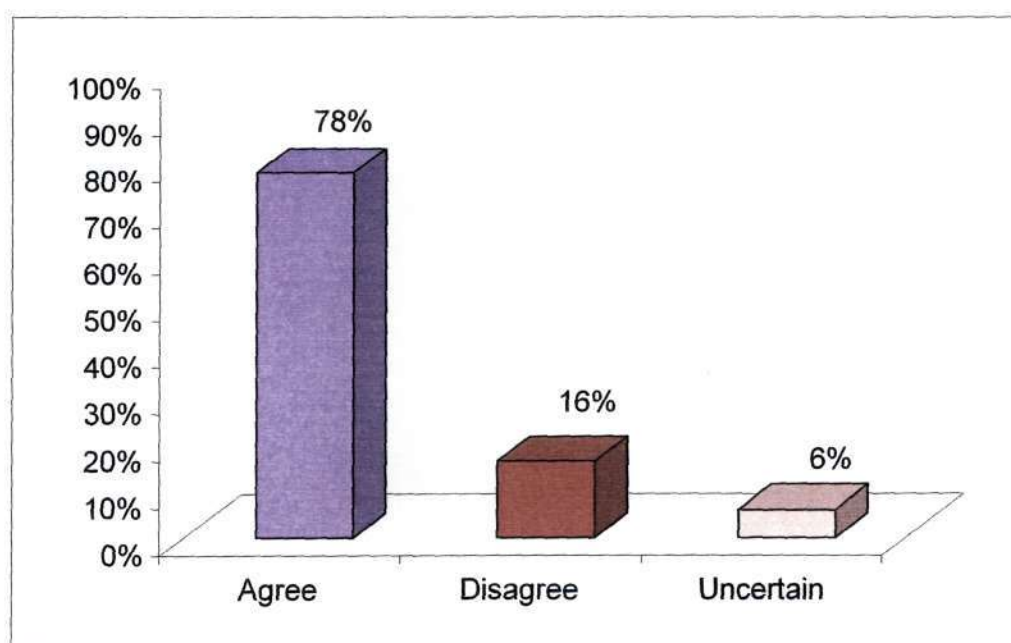


Figure 6.7 indicates that 78% agreed that most developing countries at local government lack the infrastructure, service delivery networks, capacity, experience, expertise and resources to participate in and influence the process of globalisation which largely impacts on planning; 16% disagreed that developing countries lack the infrastructure to participate in and influence process of globalisation whilst; 6% were uncertain. These results are statistically significant at the 5% level ($\chi^2 = 13.81$, $P = 0.001$).

Developing countries make up about 160 independent economies (Van Niekerk 2001: 287), of which two thirds are in Africa and the rest in Asia.

These developing countries display the following common characteristics:

- Agriculture rather than manufacture is the predominant form of productive activity;
- Approximately two – thirds of the population is illiterate;
- Infant mortality rates are the highest in the world;
- An alarming percentage is affected by HIV/AIDS; and
- Countries are burdened by war, famine and debt crises.

Given these constraints, the developing world would find it difficult to benefit from the process of globalisation. The relevance to eThekweni hinges around critical development challenges of economic growth and job creation which would meet basic needs, eradicate poverty, develop people and ensuring a safe and secure environment. These challenges

also feature at a national level as South Africa is also part of the SADC.

6.2.8 To assess whether local government should use highly effective public - private partnerships and alliances to meet the impact of domestic, regional and global governance.

This statement reinforces the view whether partnerships, collaborations and alliances will strengthen the impact of governance.

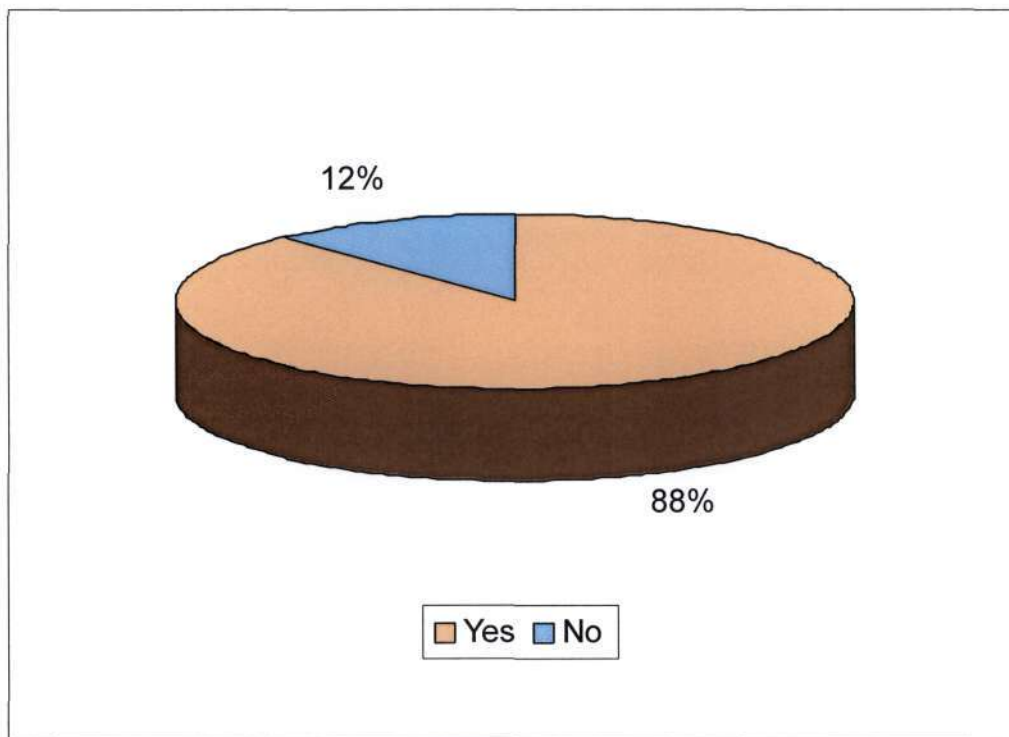


Figure 6.8 Effective public private partnerships will sustain the impact of all spheres of governance

The pie graph (Fig 6.8) indicates that 88% of the respondents felt that local government should use highly effective public private partnerships and alliances to meet the impact of domestic, regional and

global governance and 12% felt that partnerships would not meet the impact of governance at all spheres of governance.

The shift in emphasis from “government” to “governance” is linked to the global acknowledgement that organs of civil society need to be empowered to share responsibility for governance. In this sense, relationships, partnerships and alliances have become more important for local government than in the past (Ismail, Bayat, & Meyer 1997:16).

HYPOTHESIS 4 : ORGANIZING

H0 – (null hypothesis) – The basic principles of organizing are key to the process of globalisation.

H1 – (alternate hypothesis) – The basic principles of organizing are not key to the process of globalisation.

6.2.9 Delegation of authority, coordination, channels of communication and division of work are key to the process of globalisation at the local level of government.

This statement determines whether delegation of authority is key to the process of globalisation at the local level of government.

Figure 6.9 Delegation of authority is one of the keys to the process of globalisation at the local level of government.

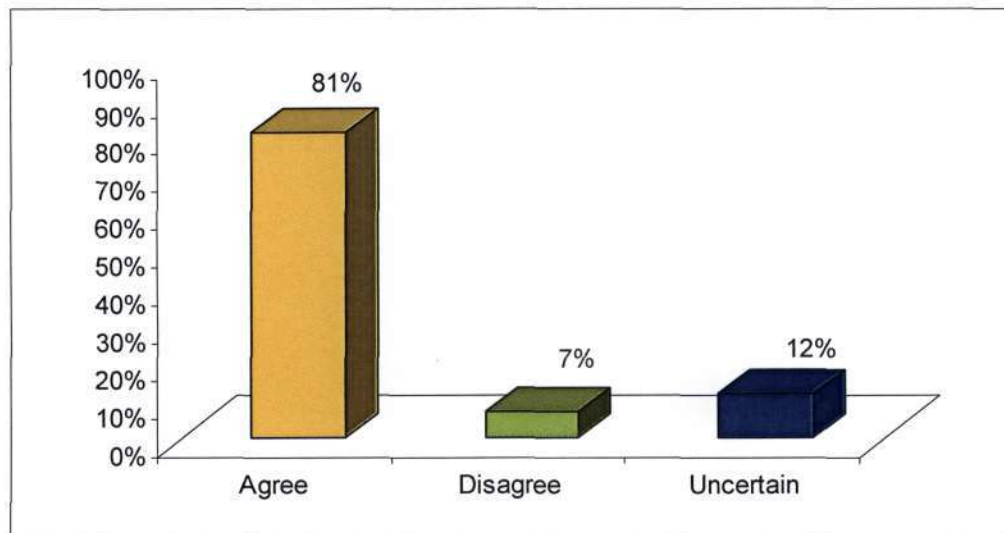


Figure 6.9 indicates that 81% agreed that delegation of authority, co-ordination, channels of communication and division of work are key to the process of globalisation at the local level of government. Twelve percent of respondents were uncertain as to whether delegation of authority, co-ordination, channels of communication and division of work are key to the process of globalisation at the local level of government, whilst 7% disagreed with the proposition. These results are statistically significant at the 5% level ($\chi^2 = 13.36$, $P = 0.000$). Therefore the null hypothesis is accepted.

For governments to function effectively in an independent world, some structural adjustments, institutional changes and co-ordinated national thinking need to be explored (Deonarain 2001: 47).

6.2.10 Cultural diversity is not a mere remnant, but is and will remain, a feature of social life however advanced globalisation may become in other spheres.

Figure 6.10 indicates whether cultural diversity will remain a feature of social life irrespective of how influential globalisation may become.

Figure 6.10 Cultural Diversity is a feature of social life.

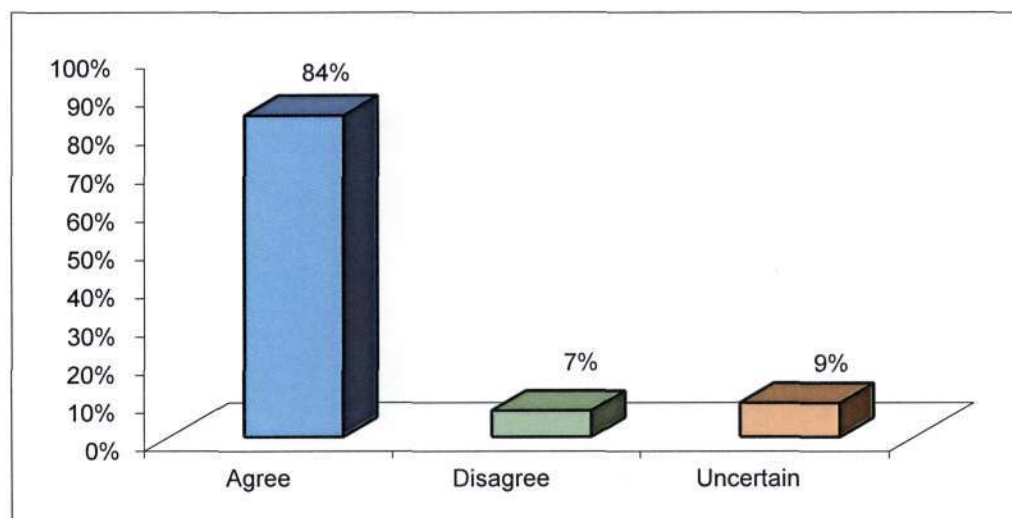


Figure 6:10 indicates that 84% of respondents agreed that cultural diversity is not a mere remnant, but is and will remain, a feature of social life, however, advanced globalisation may become in other spheres, whilst 9% were uncertain as to whether cultural diversity is a feature of social life, and 7% disagreed that cultural diversity is not a mere remnant, but is and will remain, a feature of social life, however, advanced globalisation may become in other spheres. These results are statistically significant at the 5 % ($\chi^2 = 16.03$, $P = 0.000$).

One would like to see the emergence of a uniquely South African organization that recognizes values and skills inherent in our cultural diversity (Sauer 2001: 659). Furthermore, no matter how advanced globalisation may become, one of the aims of the African Union is to promote sustainable development at a cultural level (Daily News, 11 July 2002).

6.2.11 Significant agreements in social communications activities with foreign countries, especially establishing formal relationships with international, regional (SADC) and local authorities are paramount for mutual benefit.

The notion of regionalism has changed drastically to encompass social ties between different states belonging to one region. Regionalism involves preferential trade, free flow of citizens and treaties of mutual benefit between states (Van Niekerk *et al* 2001: 312).

Figure 6.11 Agreements are paramount for mutual benefit between local authorities.

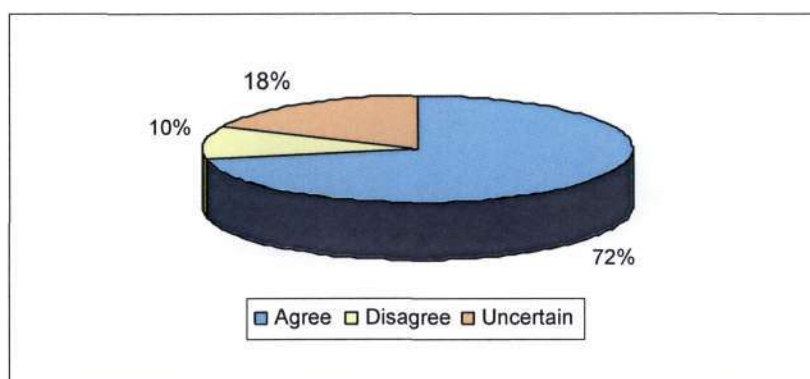


Figure 6.11 indicates that 72% respondents agreed that significant agreements in social communication activities with foreign countries,

especially establishing formal relationships with international, regional (SADC) and local authorities are paramount for mutual benefit and 18% were uncertain. These results are statistically significant at the 5% level ($\chi^2 = 6.81$, $P = 0.009$).

6.2.12 Information technology has enhanced the capacity of local government, especially global cities, to interact effectively with the outside world, thereby promoting managerial efficiency.

The statement emphasises whether information technology would promote the operation of local government to drive the management process.

Figure 6.12 Information technology enhancing the capacity of global cities to promote managerial efficiency.

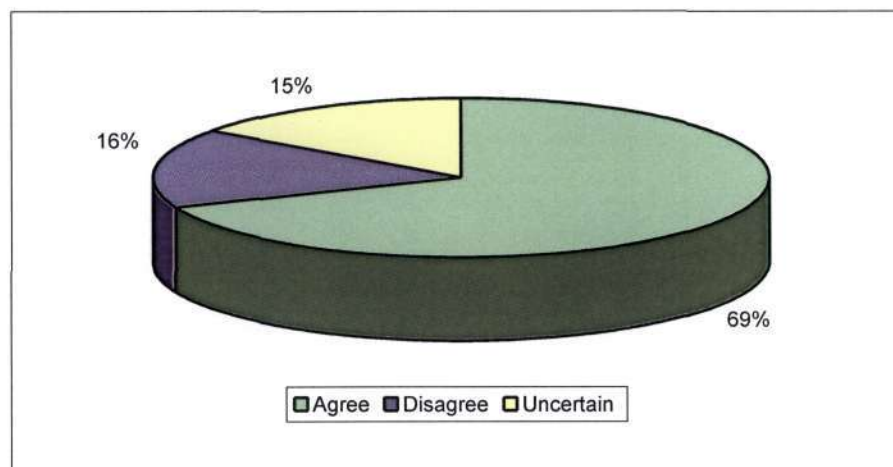


Figure 6.12 indicates that 69% of respondents agreed that information technology has continued to enhance the capacity of local governments, especially, global cities to interact effectively with the outside world, thereby promoting managerial efficiency and 15%

responded as uncertain, while 16% disagreed that information technology enhanced the capacity of local government to promote managerial efficiency. These results are statistically significant at the 5% level ($\chi^2 = 20.36$, $P = 0.000$).

The technological environment within local government impacts on efficiency, effectiveness, training, development, accuracy, speed and precision. Managers need to take into account the importance of the technological environment which impacts on their functioning (Schwella 1991: 20). A council report by the Municipal manager states that the office of Geographical Information and Policy Development will drive eThekweni's information technology programme with an emphasis on using Geographic Information Systems to drive management processes.

6.2.13 South Africa needs a globalisation committee which encompasses the 3 spheres of government in order to keep abreast of globalisation issues that have an impact on South Africa

This statement tries to ascertain whether views on globalisation warrants a globalisation committee to keep in touch with global issues.

Figure 6.13 Need for Globalisation committee to keep abreast of globalisation issues

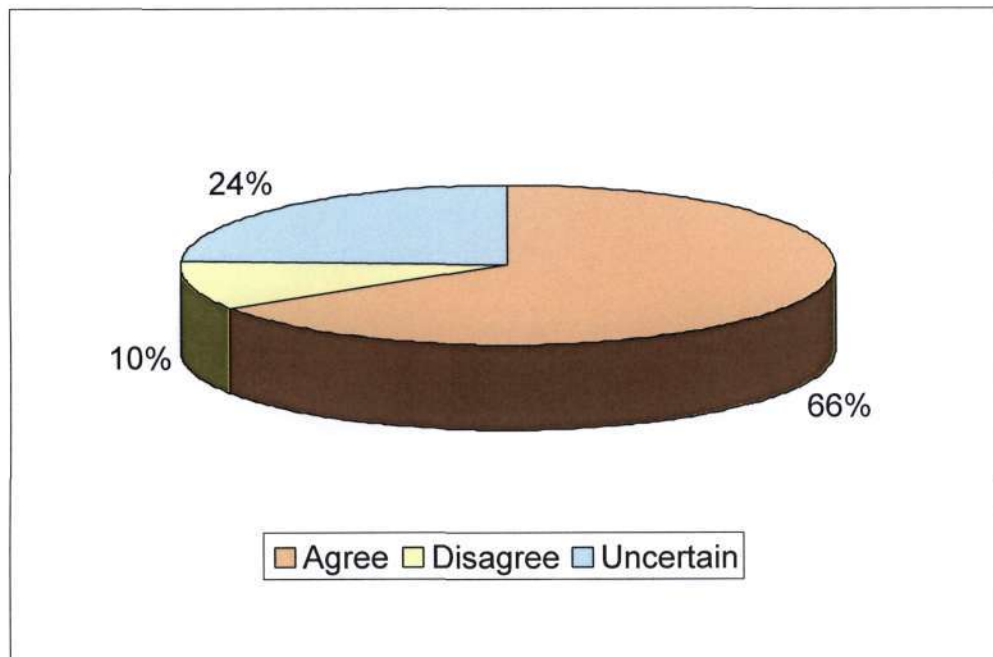


Figure 6.13 indicates that 66% agreed that South Africa needs a globalisation committee which encompasses the 3 spheres of government in order to keep abreast of globalisation issues that have an impact on South Africa; 24% were uncertain, and 10% disagreed with the proposition. These results are statistically significant at the 5% level ($\chi^2 = 20.18$, $P = 0.000$).

The world order can no longer be conceived as purely state centered or primary state governed because authority has become increasingly diffused among public and private agencies at local, national, regional and global levels. Therefore, South Africa needs a globalisation committee to keep abreast of global issues (Groenewald 2000: 24).

HYPOTHESIS 5: LEADERSHIP

H0 – (null hypothesis) – The basic principles of leadership are key to the process of globalisation.

H1 – (alternate hypothesis) – The basic principles of leadership are not key to the process of globalisation.

6.2.14 One would like to see in local government the emergence of a uniquely South African organization and leadership culture that recognizes the values and skills inherent in our cultural diversity. Our differences of approach should be viewed as a unique competitive advantage that improves the quality of decision making.

Figures 6.14 tried to re-iterate whether our cultural diversity and differences of approach would strengthen the quality of our decision making and style of leadership at local government.

Figure 6.14 Our cultural diversity is seen as a unique competitive advantage that improves the quality of decision making and leadership

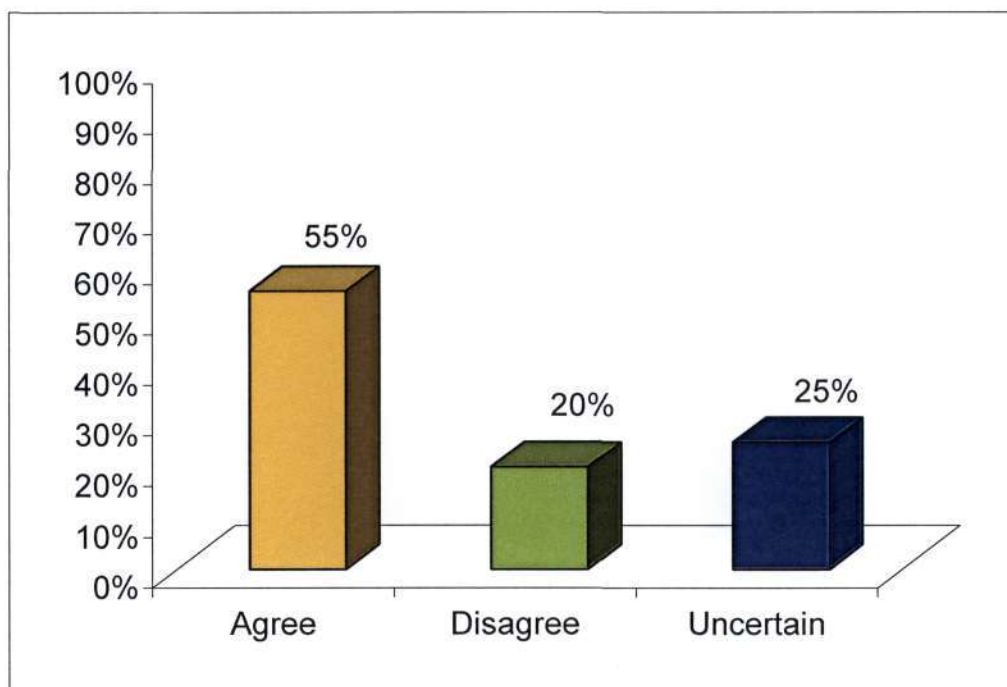


Figure 6.14 indicates that 55% agreed that one would like to see in local government the emergence of a uniquely South African organization and leadership culture that recognizes the values and skills inherent in our cultural diversity. The differences of approach should be viewed as a unique competitive advantage that improves the quality of decision making; 25% of respondents were uncertain as to whether our cultural diversity would be seen as a unique competitive advantage that improves the quality of decision making and leadership, whilst 20% disagreed. These results are statistically significant at the 5% level $\chi^2 = 10.36$, $P = 0.006$). Therefore, the null hypothesis is accepted.

The culture of society stems from the basic belief, attitudes and interaction of the society which are universal in nature (Schwella 1991: 20). To believe that cultural diversity and our differences of approach should be viewed as a unique competitive advantage that will improve the quality of decision making (Sauer 2001: 659).

6.2.15 Globalisation impacts on policy issues in the social environment within the local government such as basic services and the quality of life

Figure 6.15 tried to ascertain whether globalisation impacts on the social environment within local government.

Figure 6.15 Impact of globalisation on the social environment

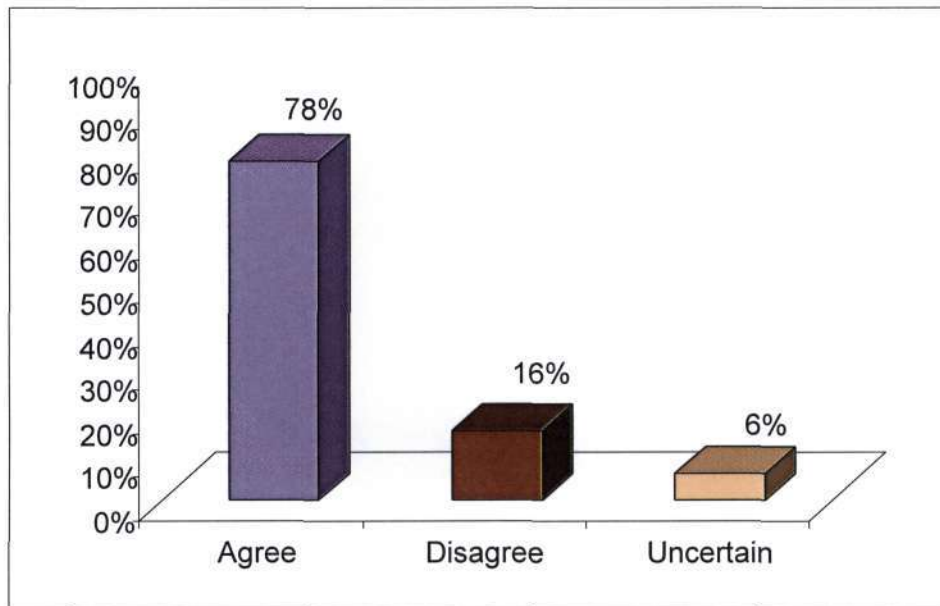


Figure 6.15 indicates that 78% of the sample agreed that globalisation impacts on policy issues in the social environment within local government such as basic services and the quality of life, 16% disagreed that globalisation impacts on the social environment whilst 6% were uncertain on the impact of globalisation on the social environment. These results are statistically significant at the 5% level ($\chi^2 = 31.09$, $P = 0.000$).

For management and organizational purposes, factors to consider when analyzing the social environment also include trends regarding the demographic characteristics of the population, urbanization, housing, education and training, human development and improvement in the social well being of the people (Schwella 1991 : 20).

6.2.16 The current leadership at local government level has suitable knowledge and leadership skills to drive the globalisation process and deal with global issues

This statement reviews whether the current leadership possesses the relevant knowledge and skills to drive the globalisation process at the local government level.

Figure 6.16 The leadership at local government level possesses the skills to deal with global issues.

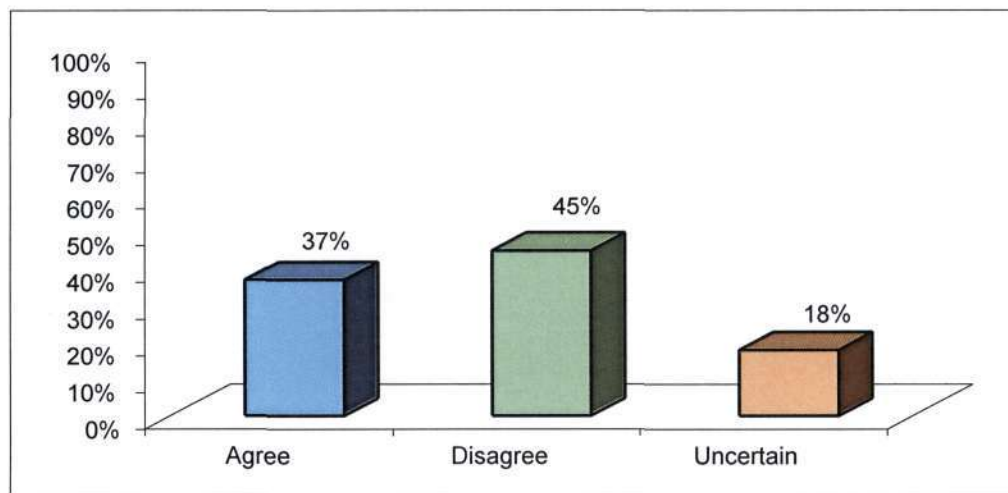


Figure 6.16 indicates that 37% of respondents agreed that the current leadership at local government level had suitable knowledge and leadership skills to drive the globalisation process and deal with global issues. Forty-five percent disagreed that current leadership at local government level possess the skills to deal with global issues whilst 18% were uncertain.

6.2.17 NEPAD (New Partnership for Africa's Development) is a pledge by African leaders, based on common vision with a firm and shared conviction, that they have a pressing duty to eradicate poverty and underdevelopment by placing their countries, both individually and collectively, on a path of sustainable growth and development, and at the same time to participate actively in the world economy and the body politic.

This statement determines whether NEPAD would improve the lives of the disadvantaged to erode poverty and underdevelopment.

Figure 6.17 With the shared conviction, NEPAD would make a marked difference in the livelihood patterns of the disadvantaged.

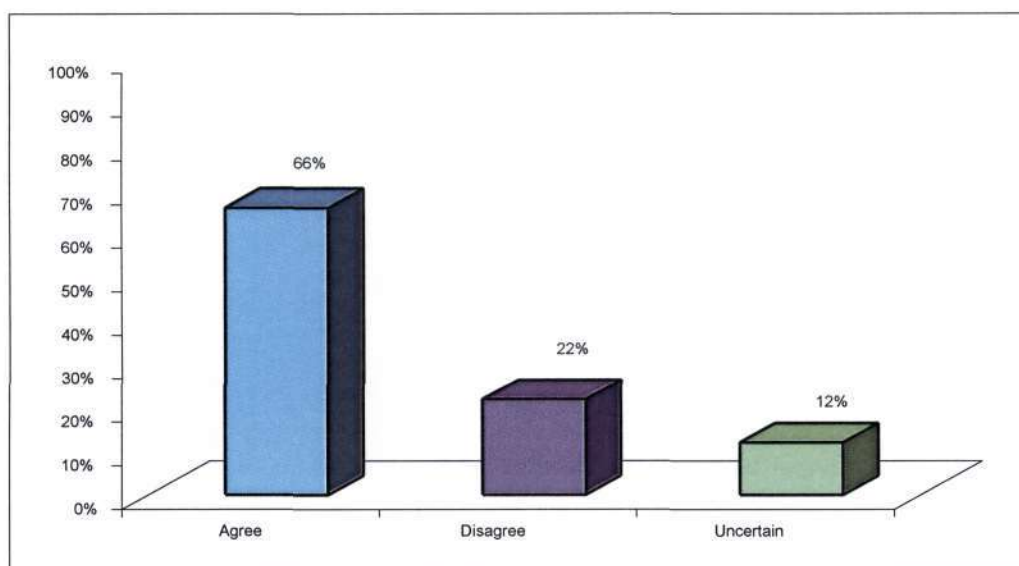


Figure 6.17 indicates that 66% of respondents agreed that NEPAD, would make a marked difference in the livelihood patterns of the disadvantaged; 12% were uncertain as to whether NEPAD would eradicate poverty and underdevelopment and steer Africa on to a path of sustainable growth and development and simultaneously participate in the world economy and body politic, whilst 22% disagreed that

NEPAD would make a marked difference in the livelihood patterns of the disadvantaged.

6.2.18 To evaluate globalisation and its impact on governance of the eThekwin Municipality

This statement assesses the view whether globalisation will impact on the governance of eThekwin Municipality.

Figure 6.18 Globalisations impact on governance of eThekwin Municipality

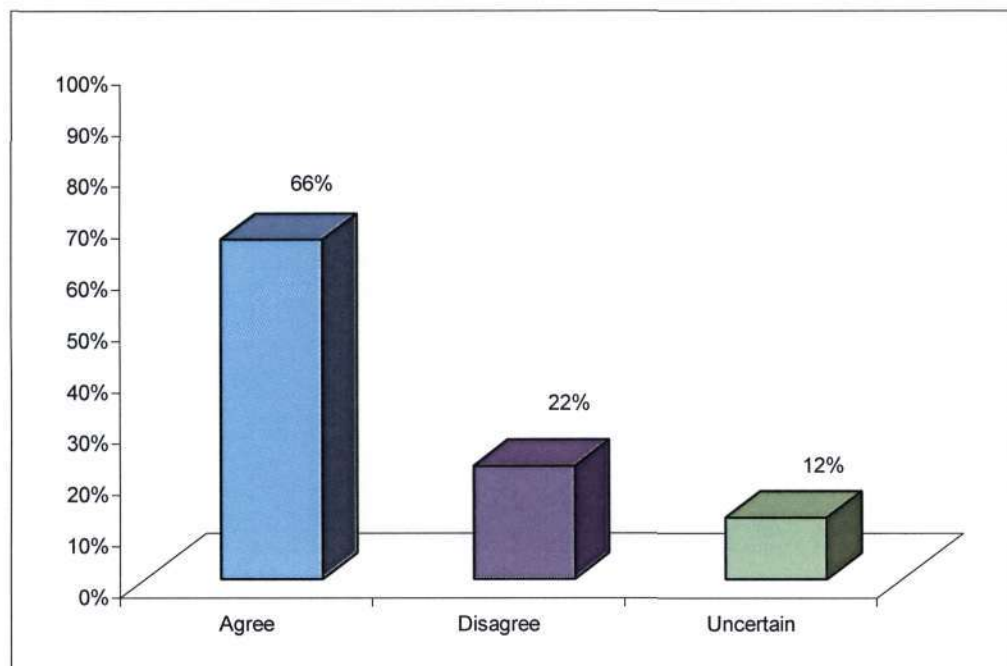


Figure 6.18 indicates that 66% of the respondents felt that globalisation does impact on the governance of the eThekwin Municipality; 22% felt that globalisation does not impact on governance of the eThekwin Municipality and the 12% were uncertain.

Governments regard transformation as a dramatic, focused and relatively short-term process, designed to fundamentally reshape the public service to anticipate the changing needs and requirements of domestic and international environments (Deonarain 2002:35). A new vision of local government has emerged, developmental local government with the central theme being the notion of local governance (Parnell et al 2002: 255). Local governance is becoming increasingly a process of co-operation between stakeholders, internal and external (Parnell et al 2002: 255).

HYPOTHESIS 6: TRAINING AND DEVELOPMENT

H0 – (null hypothesis) – The basic principles of training and development are key to the process of globalisation.

H1 – (alternate hypothesis) – The basic principles of training and development is not key to the process of globalisation.

6.2.19 The purpose of training is to help employees improve their capacities to contribute towards organizational effectiveness. Training in local government assists in developing the professional capacities of public servants (to promote institutional change, enhance their pursuit of their vision and mission and improve international negotiations).

This statement tried to contribute to whether training in local government would enhance their capacities to improve towards organisational objectives.

Figure 6.19 Training improves the capacities of employees to contribute towards organizational effectiveness.

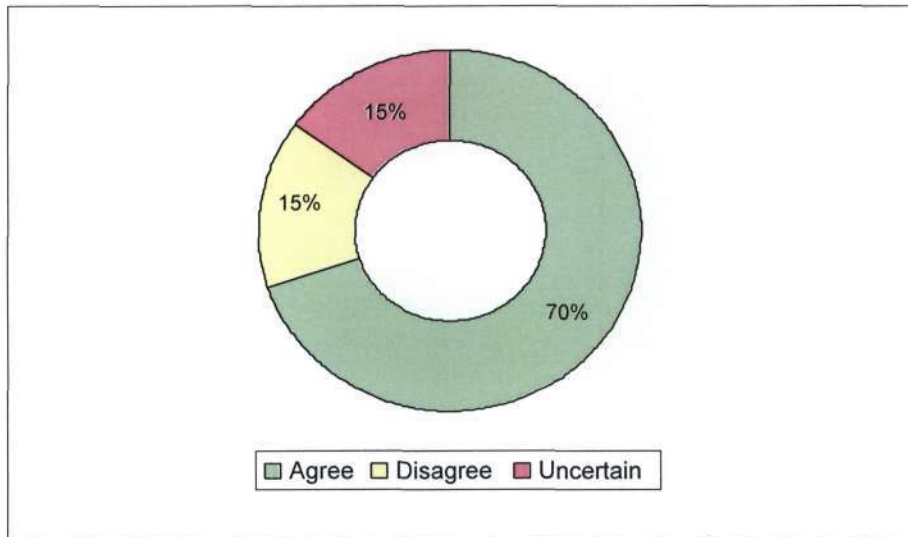


Figure 6.19 indicates that 70% agreed that the purpose of training is to help employees improve their professional capacities to contribute towards organizational effectiveness; 15% disagreed that training improves the capacities of employees to contribute towards organizational effectiveness, whilst 15% were uncertain. These results are statistically significantly at the 5% level ($\chi^2 = 19.81$, $P = 0.000$). Therefore the null hypothesis is accepted.

Increasing specialized education and training programmes on global management is being undertaken in France, New Zealand, Australia, and the United Kingdom. The exposure to global issues builds the capacities of individuals (OECD 1997: On line: 5) and contributes to organizational effectiveness.

6.2.20 The local municipal sector requires the knowledge, skills and capacity of academics and practitioners in shaping the globalisation policy.

This statement tried to ascertain whether local government required the competencies of professional in shaping the policy on globalisation

Figure 6.20 Skills and competencies of academics and practitioners in shaping the globalisation policy.

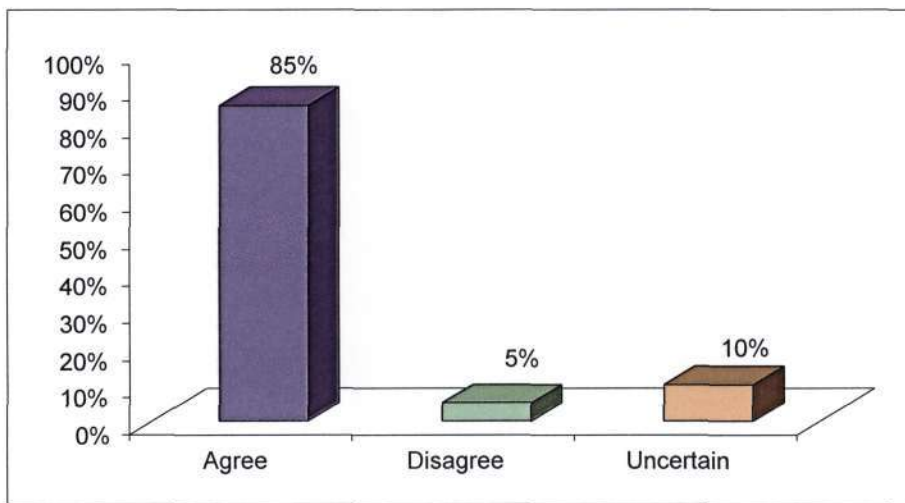


Figure 6.20 indicates that 85% of respondents agreed that the local municipal sector requires the knowledge, skills and capacity of academics and practitioners in shaping the globalisation policy; 10% were uncertain, whilst 5% disagreed that skills and competencies of academic and practitioners assisted in shaping the globalisation policy. These are statistically significantly at the 5% level ($\chi^2 = 39.81$, $P = 0.000$).

Sauer (2001: 614) argues that the modern civil servant needs to acquire a specific base of knowledge, skills, values, competencies and attitudes from academics and practitioners in shaping the globalisation policy. Developing capacity to tap ideas and promising practice from other countries and to massage them to fit local conditions will be increasingly essential to stimulate competition in the international job market (OECD: 1997: 4-5).

HYPOTHESIS 7: CONTROL

H0 – (null hypothesis) – Developed countries stand to gain from the globalisation process.

H1 – (alternate hypothesis) – Developed countries stand not to gain from the globalisation process.

6.2.21 Developed countries, at a local sphere of government are much more in control of the globalisation process and stand to gain from it.

Figure 6.21 tries to emphasize that development countries are more in control of the process of globalisation at local government.

Figure 6.21 Developed countries are more in control and stand to gain from the globalisation process.

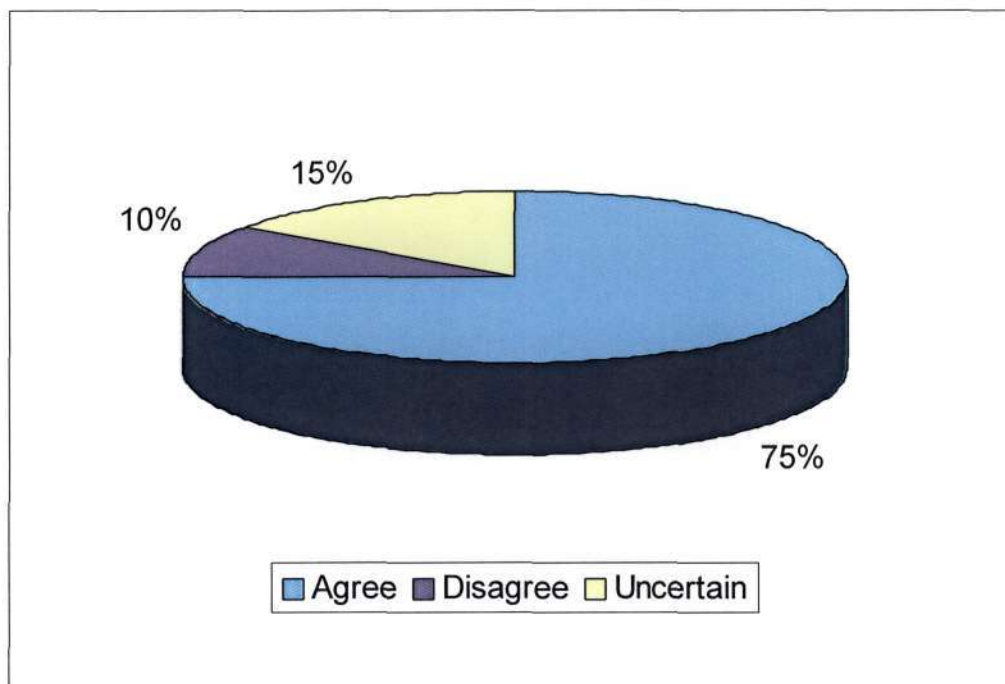


Figure 6.21 indicates that 75% agreed that developed countries at a local sphere of government are much more in control of the globalisation process and stood to gain from it; 15% of respondents were uncertain as to whether developed countries stood to gain more from the globalisation process, whilst 10% disagreed that developed countries, especially at a local sphere of government stood, to gain from the globalisation process. These results are statistically significant at the 5% level ($\chi^2 = 27.45$, $P = 0.000$). Hence the null hypothesis is accepted. Kamusella (2000: 65) states that 38 economies of the developed countries generated 80% of the world's gross national product (GNP), but comprised only 15.2% of the planet's population, which shows why they were more in control and stood to gain from it.

6.2.22 Developing countries will have a lesser form of control, because they lack the resources, infrastructure and capacity and would gain less from the globalisation process.

This statement asserts the view that developing countries lack the resource infrastructure and capacity and would gain less from the globalisation process.

Figure 6.22 Developing countries lack resources and would gain less from the globalisation process.

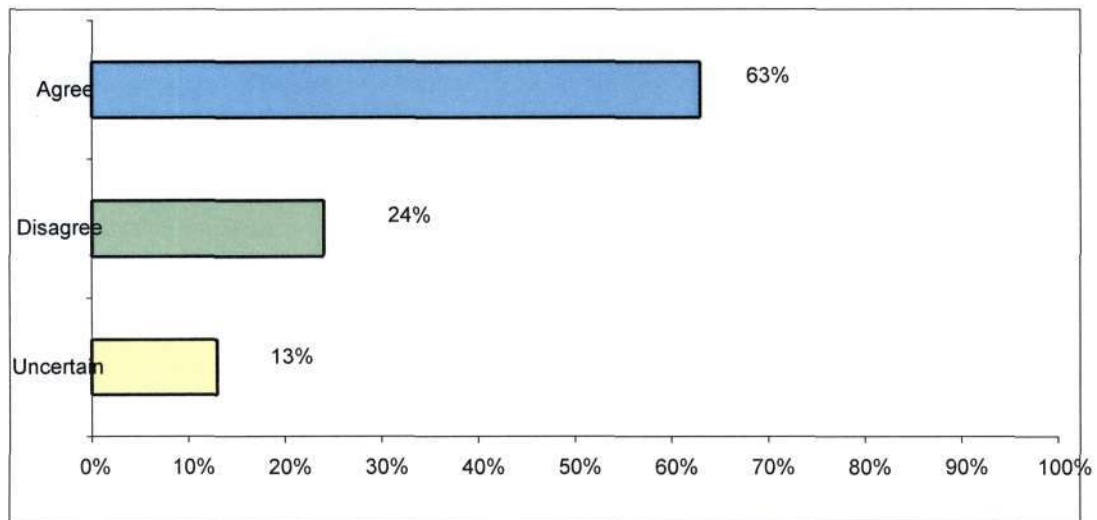


Figure 6.22 indicates that 63% of respondents agreed that developing countries will have a lesser form of control, because they lack the resources, infrastructure and capacity and would gain less from the globalisation process, 24% disagreed that developing countries have a lesser form of control and would gain less from the globalisation process, whilst 13% were uncertain. The results are statistically significant at the 5% level ($\chi^2 = 14.36$, $P = 0.001$).

About 169 developing economies comprised 84.8% of the world's populace and accounted for 20% of the global economic output (Kamusella 2000:65). These states make up more than three quarters of the world's population but only contribute less than one fifth of global goods and products. Moreover, these states are economically underdeveloped and share a colonial heritage of being exploited by colonial "masters" (Van Niekerk *et al* 2001:287).

South Africa has a population of approximately 43 million and is part of the developing economy which accounts for 20% of global economic output suppressed and exploited by colonial masters.

6.2.23 Organisations should monitor and control specific globalisation activities or projects at a local level of government.

Figure 6.23 reinforces the view that monitoring and evaluation of globalisation projects are critical.

Figure 6.23 Monitoring and control of specific projects at local level of government.

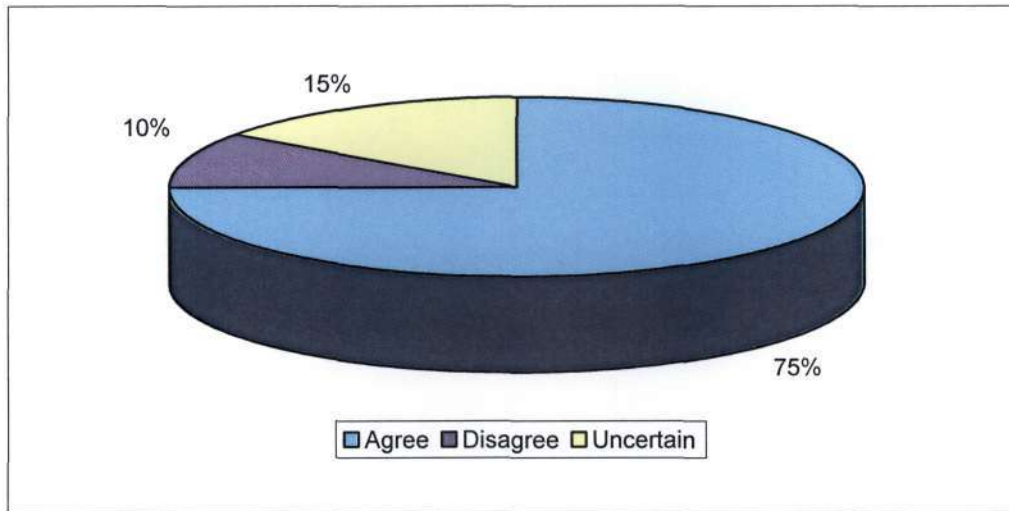


Figure 6.23 indicates that 75% of respondents agreed that organizations should monitor and control specific globalisation activities or projects at a local level of government, 15% were uncertain, whilst 10% disagreed that specific globalisation projects should be monitored. These results are statistically significant at the 5% level ($\chi^2 = 28.36$, $P = 0.000$).

6.2.2.4 Global benchmarking mechanisms should be used to monitor and control global activities at a municipal level.

This statement postulates that global benchmarking is an acceptable manner to measure global activities.

Figure 6.24 Global benchmarking mechanisms used to monitor global activities

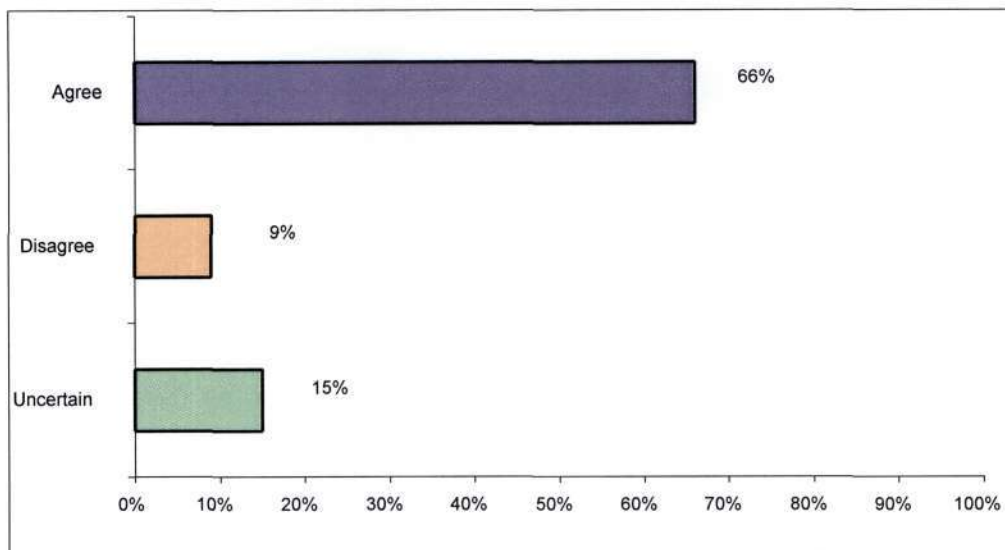


Figure 6.24 indicates that 66% agreed that global benchmarking mechanisms should be used to monitor and control global activities at a municipal level, 15% were uncertain as to whether benchmarking mechanisms be used to monitor global activities and 9% of respondents disagreed that global benchmarking mechanisms be used to monitor and control global activities at a municipal level. These results are statistically significant at the 5% level ($\chi^2 = 17.63$, $P = 0.000$). Benchmarking sets an acceptable standard by which outputs can be measured and corrective measures can be instituted. Politicians are charged with the responsibility for policy and strategic direction of the local authority, and officials are tasked with operationalising, implementing and monitoring of council policies (DMA Report No 4: 2000:7).

6.2.25 Best practices of global cities (like Toronto, Wellington, Melbourne, Rome and Paris) could be emulated and compared for implementation by eThekweni Municipality as a benchmark.

Figure 6.25 indicates that the emulation of best practices of global cities should be considered for implementation by the eThekweni Municipality.

Figure 6.25 Best practices emulated and implemented by eThekweni Municipality

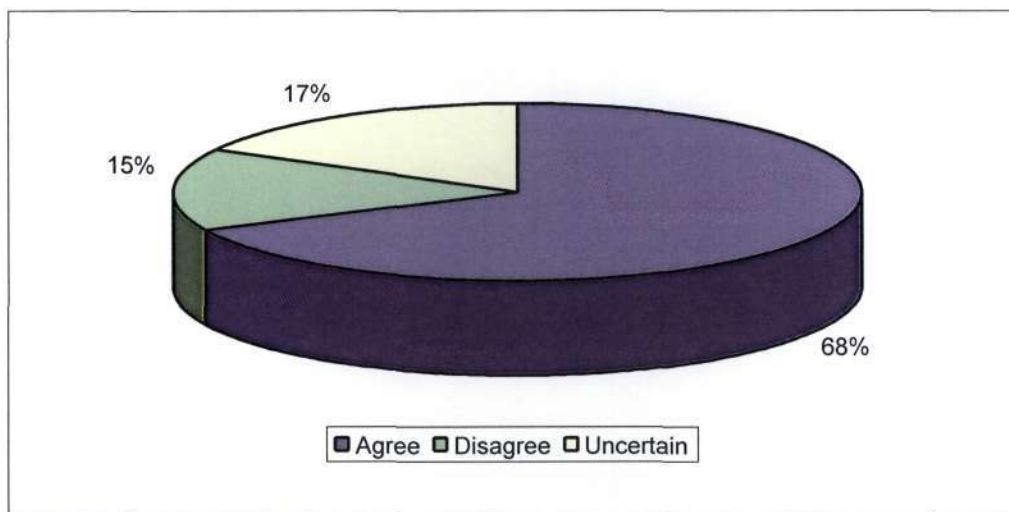


Figure 6.25 indicates that 68% of respondents agreed that the best practices of global cities (like Toronto, Wellington, Melbourne, Rome and Paris) could be emulated and compared for implementation by the eThekweni Municipality as a benchmark, 17% were uncertain, and 15% disagreed. These results are statistically significant the 5% level ($\chi^2 = 9.455$, $P = 0.009$).

DMA Report No. 4: March 2000: 5 indicates that the Wellington study tour highlighted that most public sector reform had taken place there. Melbourne boasted its experience in municipal partnerships in service delivery, Rome and Paris showed off the social democratic experience and greater involvement of government in service delivery. The eThekweni could emulate and consider the best practices for implementation as a benchmark in the municipality's transformation process (DMA Report No. 4: March 2000:5).

6.3 OVERALL OBSERVATION OF CORE THEMES

The core themes of governance which related to policy, planning, organising, leadership, training and development and control included an overall observation of positive thinking towards globalisation. The discussion and observation that follow will reflect this trend of thought.

DESCRIPTIVE STATISTICS

Table 6.1

	N	Minimum	Maximum	Mean	Std. Deviation
POLICY	70	1.72	4.94	3.7997	.74211
PLANNING	70	2.80	5.50	4.3303	.84797
ORGANISING	70	2.50	5.19	4.2008	.71701
LEADERSHIP	70	2.20	5.00	3.6515	.86895
TRAINING AND DEVELOPMENT	70	2.42	5.50	4.0530	.87396
CONTROL	70	3.00	5.50	4.5693	.73268
Valid N (listwise)	70				

Table 6.1 shows that the overall observations within the **theme of policy** tend to be positive with regard to the impact of globalisation on the political, social and economic environments.

The administration and management of eThekweni Municipality has engaged in strategizing an operational basis for the emerging trends of globalisation. Although no firm policies have been formulated or tested, the overall perceptions around the theme of an emerging policy is positive on the political, social and economic environments, as Sauer (2001: 649) reiterates that the key to attracting foreign direct investment is an effective and efficient policy. Schwella (1991:19-20) concurs that the economic and social

environments should include issues such as poverty, job creation, underdevelopment, housing, education, safety and security which are central to the critical domestic challenges of the eThekweni Municipality, core principles of NEPAD and the aims of the African Union.

The overall tendency within the **theme of planning** is also positive, indicating that in order to effectively address globalisation, the planning process needs to be put in place within the local government institutional organization. Moreover, planning should also include exchanges and shared understanding of respective policy systems and frameworks.

Most municipalities lack the infrastructure, service delivery networks, capacity, experience, expertise and resources to participate in and influence the process of globalisation which impacts on planning. Schwella & Ballard (2000: 737) identify as the reasons for this rising crime, cost of health care, homelessness, urban decline, and suburban flight. The approval of the Integrated Development Plan (IDP) and appointment of the municipal manager have reinforced the theme of planning and outlining the processes and procedures to address the emergence of globalisation. Planning should entail public management reform, determining performance and accountability measures, measures to determine and emphasize ethical standards and reduce corruption.

Moreover, to assist local authorities in overcoming the lack of capacity and resources, the national government has introduced a policy strategy to involve

the private sector in projects of this nature. This concept is referred to as public-private partnerships which are negotiated on the grounds whereby all parties will accrue intangible and tangible benefits, which will sustain the impact of domestic, regional and global governance.

The central tendency within the **theme of organizing** tends to be positive in respect of delegation of authority, cultural diversity, agreements of mutual benefit, information technology and the need for a globalisation committee to keep abreast of globalisation issues.

In re-organising the administration of the eThekweni Municipality, certain critical ingredients such as delegation of authority, co-ordination, channels of communication and division of work, which are key to addressing the challenges of globalisation need to be taken into account. Deonarain (2001:47) argues that previously, international matters were dealt with by the foreign ministry which held monopoly over global contact. With the ongoing transformation of the eThekweni Municipality and adoption of the IDP, some structural adjustments and institutional changes have begun which is promising, as an aspect of organizing, and is consistent with the objectives of the IDP.

The overall perceptions within the **theme of leadership** tends to be uncertain in respect of the current leadership of local government not having suitable knowledge and leadership skills to drive the globalisation process.

This is so because there is a lack of leadership skills, experience, relevant knowledge, clear objectives, legislation, adequate resources and efficient overall management. Moreover, with domestic challenges and emerging trends of the global world, it becomes difficult to stay focused on critical issues.

The growing need to be effective as a leader in multiple settings, different countries and a constantly transforming public service according to Sauer (2001: 659), is to be met through governance structures creating leadership models that are flexible enough to accommodate tomorrow's certain uncertainties, but still be practical and useful enough to provide help and orientation for our increasingly challenged leaders.

The recent and ongoing changes within eThekweni management and the appointment of top management will bring much needed stability to the municipality. Not only does the municipality boast a more representative team, but the diverse skills, experiences and differences of approach would be viewed as a unique competitive advantage that would improve the quality of decision making. This would assist in the speedy restructuring of the municipality to meet the challenges ahead and become more efficient, effective and economic in executing the eThekweni mandate.

The overall tendency within the **theme of training and development** tends to be positive in that training improves the capacities of employees to contribute towards organizational effectiveness, and skills and competencies of academics and practitioners are critical in shaping the globalisation policy.

The purpose of training and development is to assist employees improve their capacities to contribute towards organizational effectiveness despite shortcomings such as funding, inefficiencies, skills and duplication. The eThekwini Municipality undertook work-study tours to New Zealand, Australia, Italy and France to acquire a specific base of knowledge, skills, values, competencies and attitudes to integrate, and emulate for possible implementation within the eThekwini.

Moreover, specialized educational and training programmes in global management are being undertaken in France, New Zealand, Australia and the United Kingdom (OECD 1997: on-line: 5). The programmes includes courses in international affairs and law, cross-cultural studies, and foreign languages skills.

Other forms of skills development include exchange programmes among national states and secondments (long and short term), of staff to international organizations where exposure to global issues builds the capacities of individuals (OECD 1997: on line: 5).

Sauer (2000: 614) argues that the global practitioner must possess a global mindset, cognisance of international policymaking, negotiation skills, communication skills and be capable of leading multinational task teams to improve the capacities of employees, which is in line with overall tendency

within the theme of training and development to contribute to organizational effectiveness.

The common tendency within the **theme of control** tends to be positive in that developed countries are more in control and stand to gain from globalisation process while developing countries have a lesser form of control and stand to gain less.

Benchmarking sets an acceptable standard by which outputs can be measured and corrective steps can be instituted. In this manner, best practices could be formulated and added to a database for municipalities like the eThekweni Municipality to adopt, adapt and possibly implement. The theme of control tends to be positive with regard to the common tendencies received via responses and considering the developed and developing countries have their own challenges and opportunities.

Best practices of global cities, could be compared and emulated for implementation by the eThekweni as a benchmark as the municipality engages in transformation and moving continuously towards being the best city in Africa. As the municipal manager highlights, with the adoption of the IDP - the performance would be measured in terms of outcomes set in IDP, this means keeping delivery, customer service and commitment as key priorities.

The overall perception in terms of the above themes of globalisation and its impact on governance of local authorities is generally positive.

Most of the respondents shared the following key aspects:

- Networking – twin sister – relations;
- Benchmark against other developing countries, e.g. Brazil;
- White paper on globalisation at all spheres of governance;
- Creation of a global forum with all relevant role players at a local level;
- South Africa should align itself with other local authorities;
- Developed countries should not use globalisation as leverage to exploit developing countries;
- Workshop with lower levels employees for general understanding of globalisation;
- Identify strengths of eThekwin;
- Active drive and support of local sphere of government;
- Learn from the experience of others;
- Set standards and goals which are international in nature;
- Visionary leadership;
- Customer and service focused organisational culture;
- Effective administration;
- Investment friendly;
- Less bureaucracy;
- More delegated authority;
- City needs to be managed by professional managers, business people not politicians;
- Internet for all; and
- Training and educating of the population.

A new vision of local government has emerged, developmental local government with the central theme being the notion of local governance. This would fundamentally change the shape and thinking of local government in that it would create new partnerships, build strategic alliances and generate more collaboration between the global cities.

This vision would encourage greater co-operation amongst internal and external stakeholders thereby optimising the benefits of globalisation in governance of local authorities.

6.3.1 Relationships between the Core Themes – Spearman's Correlation

Table 6.2

	Policy	Planning	Organizing	Leader
Policy				
Correlation Coefficient r	1.000	.365*	.331	.254
Sig. (2-tailed) P	.	.037	.060	.154
N	70	70	70	70
Planning				
Correlation Coefficient r	.365*	1.000	.384*	.172
Sig. (2-tailed) P	.037	.	.027	.338
N	70	70	70	70
Organizing				
Correlation Coefficient r	.331	.384*	1.000	.363*
Sig. (2-tailed) P	.060	.027	.	.038
N	70	70	70	70
Leadership				
Correlation Coefficient r	.254	.172	.363*	1.000
Sig. (2-tailed) P	.154	.338	.038	.
N	70	70	70	70
Training and Development				
Correlation Coefficient r	.529*	.429*	.439*	.283
Sig. (2-tailed) P	.002	.013	.011	.111
N	70	70	70	70
Control				
Correlation Coefficient r	.366*	.424*	.554**	.538**
Sig. (2-tailed) P	.036	.014	.001	.001
N	70	70	70	70

*. Correlation is significant at the .05 level (2-tailed).

**.Correlation is significant at the .01 level (2-tailed)

The results of the Spearman Correlation as reflected in Table 6.2 indicate that there is a significant relationship between:

- Policy:** Planning, Training and Development and Control;
- Planning:** Organizing, Training and Development and Control;
- Organizing:** Planning, Leadership, Training and Development Control; and
- Leadership:** Organizing and Control.

Policy is positively correlated on planning, training and development and control. The same positive relationships exist between the other themes with regards to their nature and direction.

Policies are formulated by the political office-bearers and stakeholders to set out the framework within which departments function. This is normally followed by planning, organizing, strategy, implementation, monitoring and control.

Using the Spearman Correlation, it was proved that policy impacts positively on the different themes. Seeing that the eThekweni is undergoing restructuring, and there was no tried and tested policy in place but an emerging policy, the organization lacked the training in being global practitioners. Hence globalisation needed to feature within their strategic planning. Local government lacked the skills and attitudes appropriate for effective leadership, and major projects

around domestic and global trends needed to be monitored and controlled without losing their focus.

The emulation of the best practices of global cities like Toronto, Wellington, Melbourne, Rome and Paris, would assist eThekwin Municipality to adapt and implement some of the policies. The adoption of the Integrated Development Plan and appointment of top management would bring much needed stability to meet the domestic and global challenges.

6.4 SUMMARY

In this chapter the results of the empirical survey of globalisation and its impact on governance of local authorities was interpreted against the background of the key questions posed in chapter one.

The findings arising from the empirical evidence have been contextualised within the broader framework of the study. The analysis of the data under the relevant themes gave an integrated and holistic overview of the study respectively.

Based on the conclusions of the empirical survey, certain fundamental recommendations are proposed which constitutes the final chapter of the research document.

CHAPTER 7

CONCLUSIONS AND RECOMMENDATIONS

7.1 INTRODUCTION

The challenge to policy makers is made more acute by the proliferation of global multi-connectedness in areas such as communications, population movements, products, service markets and crime. Domestic issues are increasingly being affected by globalisation which has evoked fears around sovereignty by politicians and analysts from multi-faceted disciplines.

Globalisation and its impact on the governance of local authorities has led to a shift from “government” to “governance”. This new paradigm shift has led to a more citizen-oriented approach, which is hoped through ongoing restructuring of the eThekweni Municipality will meet the demands and needs both domestically and globally.

This chapter presents the main conclusions and recommendations. After careful consideration of the data that surfaced, certain clear conclusions emerge about the impact of globalisation on governance at the level of local authorities. On the basis of these conclusions, pertinent recommendations are made, directed at different levels of action.

7.2 CONCLUSIONS

Globalisation is positive and good for South Africa and if South Africa does not integrate within the global village, South Africa would be left behind. South Africa boasts of having the best constitution in the world, has celebrated its first decade of democracy, yet it is still considered to be a developing economy. After years of isolation, South Africa needs to embrace globalisation as a reality and view it as a challenge as is evidenced by hosting of world events and quite recently the successful bid to host the 2010 Soccer World Cup.

In order to enhance the development of international relations and to emerge as a world local authority, eThekweni has to embark on formulating an established policy on globalisation.

With the ever-increasing demands both locally and globally, provisions have to be created thereby creating a broad legislative framework which is inevitable. Some suggested ways in which this could be achieved:

- is to develop a policy on globalisation which should incorporate:
 - Leadership;
 - Strategic planning;
 - Implementation;
 - Monitoring; and
 - Control mechanism.

- Promoting the spirit of ubuntu and the principles of Batho Pele (citizens first) which should include:
 - Consultation;
 - Service Standards;
 - Access;
 - Courtesy;
 - Information;
 - Openness and Transparency;
 - Redress; and
 - Value for money.

It is a fact that a more comprehensive policy would positively impact on the political, social and economic environments. Moreover, it would attract and retain foreign investments within the boundaries of our country thereby addressing some of the domestic challenges of the eThekweni Municipality.

The emulation of the best practices of global cities of the world, adoption of the Integrated Development Plan and the appointment of highly skilled global appointments at the eThekweni Municipality would create the potential to develop a policy on globalisation. This would facilitate the municipality becoming an active player in international relations and governance.

In order to effectively address globalisation, strategic planning needs to be integrated within the macro plan of the eThekweni Municipality. Presently the

eThekwini Municipality lacks suitably developed infrastructure and appropriate network of service delivery. Therefore the integrated strategic plan should include the following:

- Public Private Partnerships;
- Strategic alliances and collaborations;
- Staff exchanges;
- Secondment;
- Short and long term contracts; and
- Sharing information on common dilemmas and strategies toward seeking global solutions.

In order to achieve and sustain managerial effectiveness, the eThekwini Municipality would have to strongly consider integrating, strengthening and developing partnerships and collaborations for its local and global survival.

The information revolution has been the primary cause for trade across national boundaries which has undermined the sovereignty of national states. What is equally important is the fact that in order to promote managerial efficiency, the eThekwini Municipality has to engage in the following:

- Specialised educational and training programmes in global management:
 - Course in international affairs and law;
 - Cross-cultural studies;
 - Foreign languages skills;
 - Global practitioners must possess a global mindset;

- Cognisance of international policy-making;
- Negotiation skills;
- Communication skills; and
- Leading multi-national task teams.

Despite shortcomings such as funding, inefficiencies and duplication, to be part of the global village, the eThekweni administration has to invest in resources that are going to sustain the wave of globalisation. Furthermore, availability and ongoing development of necessary skills, expertise, knowledge and capacity are imperative.

South Africa continues to steer itself towards believing that this is going to be the African century by receiving existing and creating new relationships with the world. South Africans must solve the challenges facing South Africa with the support, assistance and participation of the outside world. South Africa is proving to the world that its role in the international community, South African Development Community (SADC) and locally needs to be recognised. Therefore, the notion of regionalism will contribute to local governance within the eThekweni Municipality thereby embracing the challenges of developmental local government for mutual benefit within the African Union and NEPAD.

By looking at the different models of leadership from the United Nations through to Africa, the eThekweni Municipality should by networking and collaboration include in its package for international relations the following:

- To understand leadership in its broadest form because a solution today might be a problem tomorrow;
- To manage leadership dilemmas because no single solution is the one and best solution;
- To engage different solutions as modern government becomes more complicated and complex;
- To be flexible enough for tomorrow's uncertainties and still be practical and provide orientation;
- to provide ongoing training to ensure future leaders are informed of changes given the dynamic nature of government; and
- future leaders need to inspect their own minds to develop and lead without ambiguity and to be aware of shifts within the operational context.

The world order can no longer be seen as a power being in the hands of a central authority. Therefore, a globalisation committee needs to be created that would provide not only a forum for discussion but give direction on global issues.

The committee should possess:

- clearly defined policies and objectives;
- must be representative, participatory and accessible;
- maximise the true effects of globalisation on national issues;
- address ways to reduce domestic challenges like poverty and under-development of nations; and
- to continuously try to bridge the gap between the rich and the poor.

In conclusion, the best practices of other global cities of the world need to be used by eThekweni Municipality as a benchmark where outputs could be measured and corrective measures implemented.

Furthermore, research needs to be undertaken with respect to the eThekweni Municipality's role in international relations which could be considered as a model for application of globalisation and its impact on governance of local authority.

Globalisation must not be seen as a miracle cure for rich countries to withhold from poor countries. Continuing protectionism in the global trading system and unregulated capital flows in the financial system maybe attributed as the prime causes for the failure of poor countries to benefit from globalisation.

Countries that have caught the economic growth train have moved steadily ahead of those that have been left at the station. Although globalisation maybe viewed as a positive force, it creates serious problems for poorer, Third World countries.

7.3 RECOMMENDATIONS

There is a need for South Africa to have mechanisms in place to meet domestic and international trends of global cities.

On the basis of the research findings, the following relevant recommendations are proposed for consideration by both the national and local spheres of government:

RECOMMENDATION ONE (National)

Embrace globalisation as a fact and view it as a challenge.

South Africa cannot ignore the global trends and influences after years of isolation. Therefore, South Africa needs to integrate positively within the international community as a global player. Globalisation provides new information and key innovations:

- it creates opportunities and introduces technological advancement; and
- Globalisation facilitates international co-operation and compels South Africa to elevate standards of service by sharing experiences and measuring performances against international best practices.

Globalisation has created major benefits. These positive benefits include a swift transfer of rapid innovations from one country to another. However, this does not imply that globalisation is only positive and good for South Africa: there are negative effects which have to be minimized. This requires that mechanisms around education, training and development need to be put in place to encourage and promote the positive effects and reduce the negative impact.

RECOMMENDATION TWO (National)

Establish a policy framework for globalisation which incorporates leadership, strategic planning, implementation, monitoring and control mechanisms.

Globalisation is a process whereby the world's people are becoming increasingly inter-connected in all facets of their lives. Policies, therefore,

need to be formulated which must be backed up by strategic planning, leadership, organizing, implementation, monitoring and control.

With restructuring, there is no tried and tested policy in place at the eThekweni Municipality but rather an emerging policy. Globalisation features minusculely in their strategic plans. The municipality lacks the training of global practitioners who possess the skills and attitudes of leadership.

The emulation of the best practices of global cities like Toronto, Wellington, Melbourne, Rome, and Paris, the adoption of the Integrated Development Plan and the appointment of top highly skilled management would bring much needed stability and create the potential to develop policies to meet both the global and local trends.

RECOMMENDATION THREE (Local)

Develop effective public private partnerships which will sustain the impact of globalisation on local governance

The shift in emphasis from government to governance is linked to the global acknowledgement that organs of civil society need to be empowered to share responsibility for governance. Therefore, local government should use highly effective public private partnerships, strategic alliances and relationships to meet the impact of globalisation on domestic governance.

An integrated strategic plan should incorporate best practices in the areas of public management reform, performance and accountability aspects and

measures to emphasize ethical standards and reduce corruption. Moreover, local authorities should indulge in staff exchanges, secondments, short and long term contracts for shared understanding of ideas and common strategies to address similar dilemmas and problems.

RECOMMENDATION FOUR (Local)

Enhancing information technology, knowledge, skills and competencies

The global village continues to see the overwhelming influence of information technology and communication. There is great potential for the revolution of information technology to promote development in many countries. It is therefore critical that projects be launched to empower potential global cities like the eThekwin Municipality to develop in the new “INFORMATION AGE”. In order to promote this initiative, funding mechanisms should be established to speed up the use of global information and network systems to improve the quality of local governance and management.

RECOMMENDATION FIVE (Local)

Develop regional agreements for local cities

Establishing formal relationships with global, regional (SADC, AU, NEPAD) and local authorities is crucial for continued existence through mutual benefit. The notion of regionalism has changed drastically to encompass and harness collaborations between states belonging to one region. Therefore, to address the critical challenges domestically and globally and to steer the eThekwin

Municipality on a path of sustainable growth and development, local governance should become increasingly involved in the process of co-operation between stakeholders, internal and external, regionally and globally.

RECOMMENDATION SIX (Local)

Provide training to improve increased capacities to contribute towards organizational effectiveness.

Training assists government to develop the professional capacities of employees to contribute towards organizational effectiveness. Limitations such as funding, inefficiencies, duplication and corruption, have resulted in a fragmented and uncoordinated approach to training. In order for training agenda to be effective, it should be incorporated within the vision and mission statements of organizations, emphasizing the need to be locally relevant and globally competitive.

RECOMMENDATION SEVEN (National)

To make the global economy more sustainable and inclusive in the developing countries.

Developing economies comprise 84.8% of the world's populace and account for 20% of the global economic output. These states make up more than three quarters of the world's population but only contribute to less than one fifth of global goods and services. Moreover, these states are economically

underdeveloped and share a colonial heritage of being exploited by colonial masters.

The global debate around the developed and developing, 1st world and 3rd world, the rich and poor and the north/south nations has prompted many of the countries of the developed world to take on the challenge of engaging in assisting the poorer countries on a continuous basis with regard improving resources, management infrastructure and capacity. An example of this would be the G8 countries who are assisting financially the developing countries in Africa within the framework of NEPAD.

Furthermore, Global Compact, a direct initiative of the UN Secretary General which involves five UN agencies provide the framework to mainstream the principles in business activities around the world and catalyse action in support of UN goals. This must be done by levelling the playing fields within the developing and developed economies.

RECOMMENDATION EIGHT (Local)

Developing local leadership to meet the globalisation challenge.

The current leadership at local government has shown uncertainties in driving the leadership process. This is so because of the lack of leadership skills, experience, relevant knowledge, clear objectives, adequate resources and efficient overall management.

Leaders need to be effective in multiple settings in different countries. Government structures creating leadership models should be sufficiently flexible to accommodate tomorrow's uncertainties, but still be practical and useful to provide help and orientation for our increasingly challenged leaders.

RECOMMENDATION NINE (Local)

Institute structural and institutional change for developmental local government.

If local government is to function efficiently and effectively in an interdependent world, some adjustment of the machinery of government is necessary. Strategies should be developed around developmental local government to deal with structural adjustments. The adoption of the Integrated Development Programme is an example of such a programme.

This global multi-connectedness across national boundaries, international world conferences, partnerships with global cities and participation in world sport has increasingly forced South Africa to re-look at existing mindsets to strengthen its ability to become a global player.

RECOMMENDATION TEN (Local)

Emulate best practice of global cities.

The best practice of global cities should be emulated and compared for implementation by the eThekweni Municipality as a benchmark. The Wellington tour highlighted that most public sector reform had taken place

there. Melbourne boasted its experience in municipal partnerships and service delivery, whilst Rome and Paris showcased the social and democratic experience and greater involvement of government in service delivery. As the eThekweni transforms, these best practices could be adapted for possible implementation through mutual consensus.

RECOMMENDATION ELEVEN (National)

Establish a globalisation monitoring committee to keep abreast of the globalisation issues.

The world order is facing massive upheavals within the political, social and economic domain. Policies are in a state of continuous review, more especially within the context of economic globalisation. This could seriously impact on the governance of nation states, such as South Africa.

Therefore, the globalisation monitoring committee should act as an advisory committee to address the impact of globalisation, and should encompass the following:

- Clearly defined policies and objectives;
- Must be representative, participatory and accessible to the public on all issues;
- Maximize the true effects of globalisation on national issues;
- Address ways to reduce the domestic challenges like poverty and underdevelopment of nations; and
- To continuously try to bridge the gap between the rich and the poor.

RECOMMENDATION TWELVE (Local)

Use cultural diversity to improve the quality of decision-making within the Municipality.

There is a need to emphasize the emergence of a uniquely South African organization and leadership style within local government that recognizes the value and skills inherent in cultural diversity. The basic beliefs, attitudes and differences of approach should be viewed as a unique competitive advantage that improves the quality and relevance of decision-making within the local context.

South Africa is blessed with a wide diversity of cultural assets. The way forward is to engage in debates and dialogues to change mindsets at the lowest phase of government by reaching out and serving humanity. Each citizen has the ability to make a difference, given the differences there are real opportunities to improve decision making.

RECOMMENDATION THIRTEEN

Twinning of cities

The idea of twinning of cities forming a sisterly relationship needs to be vigorously pursued. This would prove particularly useful when a city in a developed world establishes a working relationship with a city in a developing world. This relationship would ensure the efficient and effective exchange of information on how to strengthen governance at the local level.

The eThekweni Municipality has already made some efforts with cities such as Toronto, Wellington, Melbourne, Rome and Paris.

RECOMMENDATION FOURTEEN

Further research studies into the trends and influences of globalisation on local authorities should be undertaken. This is essential for the following reasons :

- To develop a comprehensive knowledge base on globalisation;
- To establish and identify international best practices for local authorities within South Africa and;
- To develop a model of local authority governance which is sufficiently flexible to adjust to global trends and influences.

Since the eThekweni Municipality has embarked on a 5 year Integrated Development Programme (IDP) within the 20/20 vision, further research needs to be undertaken in light of the implementation of IDP. The aim of this exercise would be to determine the ongoing effects and impact of globalisation on local governance.

7.4 SUMMARY

The final chapter of this thesis has presented the main conclusions and pertinent recommendations. It emphasizes that globalisation has a positive impact on the governance of local authorities and in particular the eThekweni Municipality. It further recommends areas for future research.

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APPENDICES 1

Dear Respondent

**QUESTIONNAIRE ON GLOBALISATION AND ITS IMPACT ON
GOVERNANCE OF LOCAL AUTHORITIES: A CASE STUDY OF THE
eTHEKWINI MUNICIPALITY.**

**GLOBALISATION IS CHANGING THE CONTEXT IN WHICH
GOVERNMENTS OPERATE.**

South Africa as a young democracy has made tremendous strides in establishing itself as a global player. In the South African context, globalisation provides many challenges and opportunities, where strategies, tactics and alliances would have to be explored to meet the impact of global trends.

This questionnaire aims to survey the extent to which globalisation is impacting on the governance of local authorities.

In particular, it intends to evaluate the impact of globalisation on the eThekwin Municipality.

INSTRUCTIONS FOR THE COMPLETION OF THIS QUESTIONNAIRE

The questionnaire has been designed for computer analysis and therefore requires you to place an X in the appropriate block.

Should you wish to furnish additional information for the open-ended questions, please use the space provided.

The information provided by you is vital for this study and will be treated in the strictest of confidence.

Please contact the undersigned if you require any clarification.

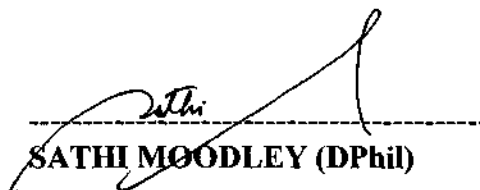
Please return by: _____

Your co-operation is sincerely appreciated.



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SECTION A: BIOGRAPHICAL DETAILS

1. GENDER:

Female	<input type="text"/>	1
Male	<input type="text"/>	2

2. QUALIFICATION/S :

Std. 8 – 9	<input type="text"/>	1
Matriculation	<input type="text"/>	2
Diploma/Degree	<input type="text"/>	3
Post Graduate	<input type="text"/>	4

3. LENGTH OF SERVICE:

0 – 5 years	<input type="text"/>	1
6 – 10 years	<input type="text"/>	2
11 – 15 years	<input type="text"/>	3
16 and over	<input type="text"/>	4

4. POSITION: _____

5. ORGANISATION: _____

6. POPULATION GROUP:

Indian	<input type="text"/>	1
African	<input type="text"/>	2
White	<input type="text"/>	3
Coloured	<input type="text"/>	4
Other	<input type="text"/>	5

SECTION B: GENERAL PERCEPTIONS

Globalisation has been defined as a continuous evolutionary process whereby functions and influences cross boundaries from one state to another.

1. Which of the following statement/s best describes globalisation?

- | | | |
|---|--------------------------|---|
| Removal of territorial boundaries | <input type="checkbox"/> | 1 |
| Integration of national economies | <input type="checkbox"/> | 2 |
| Erosion of sovereign power | <input type="checkbox"/> | 3 |
| Interconnection in all facets of our lives | <input type="checkbox"/> | 4 |
| Westernization of culture and social system | <input type="checkbox"/> | 5 |
| All of the above | <input type="checkbox"/> | 6 |
| Other | <input type="checkbox"/> | 7 |

2. From your understanding of globalisation do you feel it is positive and good for South Africa? Why?

- | | | |
|-----|--------------------------|---|
| YES | <input type="checkbox"/> | 1 |
| NO | <input type="checkbox"/> | 2 |

3. What challenges does globalisation offer to South Africa?

4. What opportunities does globalisation offer?

5. Globalisation has negative impacts for South Africa? Explain.

YES

 1

NO

 2

C. VISION, MISSION, STRATEGIES

6. Does your institution have a vision statement, which relates to globalisation?

YES

 1

NO

 2

7. Does the mission statement of your organization focus on globalisation issues?

YES

☐ 1

NO

☐ 2

a] If yes, explain how?

b] If no, explain how it can incorporate globalisation issues.

8. Is there a legislative framework that provides meaning and direction for globalisation issues within your organization?

YES

☐ 1

NO

☐ 2

a] If yes, list the legislative framework.

b] If no, why do you think that there is no legislative framework.

10. Do you think that local government should use the highly effective public private partnerships and alliances to meet the impact of domestic, regional and global governance.?

YES

☐ 1

NO

☐ 2

11. Does globalisation impact on governance in the eThekweni Municipality?

12. How does the eThekweni Municipality take cognizance of global trends when setting its vision, mission and strategies?

For each of the following statements, mark a cross (x) in the block which best describes your view, using the following scale:

Strongly disagree (SD) - 1
 Disagree (D) - 2
 Uncertain (U) - 3
 Agree (A) - 4
 Strongly Agree (SA) - 5

D	POLICY	1	2	3	4	5
		SD	D	U	A	SA
13	Policy initiatives have been introduced in local authorities to address globalisation.					
14	eThekweni Municipality has an established policy on globalisation.					
15	Globalisation puts pressure on governments to adjust their machinery, in order to improve their capacity to operate in the new globalized policy environment. To what extent do you believe that local government structures remain locked in the past.					
16	Globalisation impacts on policy issues on the political environments within local government such as policy implementation, political systems and demands.					
17	Globalisation impacts on policy issues in the social environment within local government such as basic services and quality of life.					

18	The globalisation process at a local level strongly influences the way managers organize themselves and carry out policies as a result of the hyper competition generated by an increasing and systematic use of the new technologies of information and communication.					
19	If sovereignty is defined as the ability to exercise control without outside interference, I believe that the local government will experience diminishing sovereignty.					
20	Globalisation impacts on policy issues in the economic environment within local government such as poverty and underdevelopment.					
21	Globalisation is manifested in a shift from a world of national economies to a global economy in which more and more decision-making is passing into the hands of international institutions. Hence, the local government have become a meaningless entity and cannot play much of a role in the current global setting.					

Are there any suggestions regarding globalisation and its impact on policy (relating to policy initiatives, strategies, options, decision-making and the economic/political and social impact of globalisation) that you would like to add?

E	PLANNING	1	2	3	4	5
		SD	D	U	A	SA
22	To effectively address globalisation, the planning process needs to be put in place within the local government institutional organisation.					
23	Strategic planning at a local level involves analyzing the environment for opportunities or threats. My organization formulates strategic plans to exploit these opportunities or cope with threats around globalisation.					
24	Integrated Development Planning (IDP) makes space for community participation and support at a municipal level. In my organization the IDP process is effectively implemented and managed.					

25	Strategic planning at a local level of government should include staff exchanges, secondments and short and long term contracts for the shared understanding of respective policy systems and frameworks					
26	Most developing countries at local government (specifically to Unicity) lack the infrastructure, service delivery networks, capacity, experience, expertise, and resources to participate in and influence the process of globalisation which largely impacts on planning.					

Are there any additional views regarding globalisation and planning (relating to structures, opportunities and threats, strategic planning, IDP, resources, infrastructure) that you would like to add?

F	ORGANISING	1	2	3	4	5
		SD	D	U	A	SA
27	Globalisation affects service delivery and service satisfaction in my organization.					
28	My organization has the appropriate infrastructure to support management's initiatives in the globalisation process.					
29	Delegation of authority, co-ordination, channels of communication, and division of work are key to the process of globalisation at the local level of government.					
30	Cultural diversity is not a mere remnant, but is, and will remain, a feature of social life however advanced globalisation may become in other spheres.					
31	To what extent do you believe that "twinning agreements" were mainly ceremonial cultural exchanges, owing to international sanctions?					
32	Significant agreements in social communication activities with foreign countries, especially establishing formal relationships with international, regional (SADC) and local authorities is paramount for mutual benefit.					
33	Information technology has enhanced the capacity of local government to interact effectively with the outside world, thereby promoting managerial					

	efficiency in my organization.					
34	South Africa needs a globalisation committee which encompasses the 3 spheres of government in order to keep abreast of globalisation issues that have an impact on South Africa.					

Are there any new perceptions regarding globalisation and organization (relating to service satisfaction, infrastructure, establishing a global committee, IT, decision-making, diversity, co-ordination, communication, delegation, control) that you would like to elaborate on?

G.	LEADERSHIP	1	2	3	4	5
		SD	D	U	A	SA
35	The various elements of globalisation have decreased the role of the local government, as the World Trade Organization [WTO], the European Union [EU] and other supranational organizations have become more significant players.					
36	One would like to see in local government the emergence of a uniquely South African organization and leadership culture that recognizes the values and skills inherent in our cultural diversity. To what extent do you believe that our differences of approach should be viewed as a unique competitive advantage that improves the quality of decision-making?					
37	The current leadership at local government level has suitable knowledge and leadership skills to drive the globalisation process and deal with global issues.					
38	The dearth of good leadership in Africa is one of its many tragedies. Leaders with a vision and the welfare of their people at heart should stand to negotiate for a better deal for Africa as a region first.					
39	NEPAD (New Partnership for Africa's Development) is a pledge by African leaders, based on common vision and a firm and shared conviction, that they have a pressing duty to eradicate poverty and underdevelopment by placing their countries, both individually and collectively, on a path of sustainable growth and development, and at the same time to participate actively in the world economy and the body politic. To what extent do you believe that NEPAD would make a marked difference in the livelihood patterns of the disadvantaged?					

Are there any further comments regarding globalisation and leadership (relating to power of local government, knowledge at leadership skills, leadership training, quality of decision-making and style of leadership) that you would like to make?

H	TRAINING AND DEVELOPMENT	1	2	3	4	5
		SD	D	U	A	SA
40	What type of skills, knowledge and attitude can global professional personnel impart to their South African counterparts in an attempt to stimulate competition in the international job market.					
41	Leadership training at local level of government has been accorded low priority which has resulted in shortcomings such as a lack of funding, inefficiencies, capacity, skills and duplication.					
42	Training will be effective if it is integrated within the overall strategic plans of the public sector organisations and linked to the needs of the global and local communities. In my organisation this integration occurs.					
43	The purpose of training is to help employees improve their capacities to contribute to organizational effectiveness. Training in local government assists in developing the professional capacities of public servants (to promote institutional change, enhance their pursuit of their vision and mission and improve international negotiations).					
44	The local municipal sector requires the knowledge, skills and capacity of academics and practitioners in shaping the globalisation policy.					
45	Changes in the international environment, require a revamping of skills and competencies of the public service. My organization has created opportunities to train and develop international competencies especially for local government officials involved in external relations.					

Are there any suggestions regarding globalisation, training and development (relating to training, integration, capacities, knowledge, skills, competencies, development) that you would like to add?

I	CONTROL	1	2	3	4	5
		SD	D	U	A	SA
46	Developed countries, at local sphere of government are much more in control of the globalisation process and stand to gain from it.					
47	Developing countries will have a lesser form of control because they lack the resources, infrastructure and capacity and would stand to gain less from the globalisation process.					
48	Organizations should monitor and control specific globalisation activities or projects at a local level of government.					
49	Control procedures should be in place at a local government level to support globalisation issues.					
50	Benchmarking sets an acceptable standard by which outputs can be measured and corrective measures can be instituted. To what extent do you believe that benchmarking is a tool in performance management and evaluation?					
51	Global benchmarking mechanisms should be used to monitor and control global activities at a municipal level.					
52	Best practices of global cities (like, Toronto, Wellington, Melbourne, Rome and Paris) could be emulated and compared for implementation by the eThekweni Municipality as a benchmark.					

Are there any suggestions regarding globalisation and control (relating to process, monitoring, benchmarking, best practices, procedures) that you would like to comment on?

53. What are your recommendations to promote globalisation and its impact on governance of local authorities?

Thank you for your time, energy and effort.