<div align="center">

Regent Business School

The Centre For Public Sector Management

THE BROWN BAG SEMINAR SERIES FOR 2014

ISSUES OF GOVERNANCE IN THE PUBLIC SECTOR

</div>

_____

INTRODUCTION

The weekly brown-bag seminar series is becoming a new tradition at Regent Business School. These weekly sessions are informal and collegial and the expectation is for interactive engagement among the audience and speaker. The seminars are aimed at fostering discussion and creating an open dialogue between the speakers and the attendees. The seminars are a thematic platform for scholars at every career stage.

The seminar series offers academics and researchers a great opportunity to get useful feedback on their current work and unpublished papers or test research ideas. It discourages the presentation of papers that have already been presented at conferences. Speakers are invited to present on works-in-progress or new aspects of ongoing research. There is no obligation to circulate the paper in advance. Presentation times are between 20 and 35 minutes, allowing plenty of time for discussion. Anyone is welcome to attend these seminars. Timing is flexible, but weekly. Most often these sessions will happen on Friday afternoon between 14h00 and 16h00. A list of future brown-bag talks will be posted on the Faculty Hall notice board.

For this semester, the Centre for _Public Centre Management_ at Regent Business School will host a Thematic Seminar Series entitled "Governance" and our primary focus will reflect on the current problematic of the Public Sector in South Africa and will encourage participants to imagine a public sector beyond critical problems and challenges and pursue it as a research agenda across a broad range of intellectual inquiry.

We propose to examine the problems and challenges of the public sector in different forms, throughout different periods, at different scales, and within the context of a developmental state. Towards this end, we outline a series of topics which we believe touches at the heart of the problematic.

MAJOR OBJECTIVES

The major objectives of the Brown Bag Seminar Series are as follows:

- Define and interrogate an understanding of the concept of "Governance";
- Provide a critical understanding of the concept of a "State", its history and how it impacts on the day-to-day lives of its citizens;
- Examine the origin and relevance of the "Public Sector" in modern states;
- Outline and clearly exemplify the problems and challenges of governing the public sector within the context of the local, provincial and central state;

- Explore the possible solutions for resolutions of problems and challenges governance experienced in the public sector;
- Share experiences and knowledge on innovative initiatives in public administration and governance;
- Stimulate innovative thinking and actions in public administration and governance.
- Develop and sustain capacity in innovation for improved public administration and governance;
- Build a framework and a network of collaboration for the improvement of innovation in public administration and governance.

FUNDAMENTAL QUESTIONS WHICH UNDERSCORE THE GOVERNANCE DEBATE IN THE PUBLIC SECTOR OF SOUTH AFRICA

- What are the existing and/or evolving theoretical paradigms and how relevant are they to public sector management in South Africa?

- Why has the South African state not succeeded in promoting development in comparison to the Asian "developmental" state?

- What were the various public sector reforms (civil service, decentralization, privatization, deregulation, co-production, public-private partnerships, judicial, tax) initiated to improve state capacity and what were their outcomes?

- How effective were the strategies implemented to promote accountability and minimise corruption?

- What were the issues and problems in aid management and coordination in South Africa?

- What are the possible policy options and innovations for the future and how relevant are they in addressing the challenges facing public sector management and governance in South Africa?

CONTEXTUALISING PUBLIC SECTOR GOVERNANCE IN SOUTH AFRICA

The Political and Constitutional Context of Public Sector Governance

After several years of apartheid rule and 45 years of operating a de facto one-party state with a party-dominated bureaucracy, the National Party (NP) was defeated by Nelson Mandela's African National Congress (ANC) to become the non-racial government in the May 1994 elections. The return to non-racial rule was influenced by a combination of normative and structural factors. They include resolutions by both the United Nations and then Organization of African Unity (OAU), the national consensus by both whites and blacks for a negotiated settlement within a power-sharing framework as result of the rising violence, killings and looming economic downturn, the end of the Cold War and the "de-ideologization" of foreign policy that accompanied the collapse of the Soviet Union, the global wave of democratization in the early 1990s favouring political systems featuring multi-party democracy, respect for human rights, and market-oriented, open economies.

South Africa became a parliamentary democracy with a quasi-federal system of governmental system with a central government and sub-national governments at the provincial, municipal and local levels. The President is elected from the National Assembly and ceases to be a member of the Assembly when elected. The President is mandated to select the Deputy President and any number of ministers from among the members of the National Assembly.

Chapter 10 of the 1996 Constitution is devoted to the basic values and principles governing public administration. According to the Constitution, public administration must be governed by the democratic values and principles, including (a) a high standard of professional ethics; (b) efficient, economic and effective use of resources; (c) be development-oriented; (d) services provided impartially, fairly, equitably and without bias; (e) people's needs must be responded to, and the public must be encouraged to participate in policy-making; (f) accountable; (g) transparent by providing the public with timely, accessible and accurate information; (h) good human resource management and career-development practices to maximize human potential; (i) be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness and the need to redress the imbalances of the past to achieve broad representation.

The South Africa Public Sector Governance in Historical Context

The ideology of apartheid which formed the foundation of the pre-democracy government had been described as a crime against humanity by the UN, OAU and many democratic forces in the world. With the democratization of South Africa in 1994, the new government had no choice but to reform the system it inherited. It sought to not only transform the country, but also the state machinery (civil service) it inherited and needed very badly to implement its election promises of a better life, which was encapsulated in the Reconstruction and Development Plan.

During the apartheid era, the South African public and civil services were isolated and out of touch with international developments and in the process the civil service got bloated in an attempt by the racist regime to prove that separate development worked. When the new government came into power, It was quite clear what needed to be done. There needed to be a fundamental transformation from an apartheid-driven bureaucracy towards a more democratic public service which puts citizens first.

Public sector reform in South Africa was influenced by growing global competition, the failure of the centralized state-dominated development strategies, the worsening economic crisis in the developing world and the impact of IMF/World Bank Structural Adjustment Programmes (SAPs). This involved a reappraisal of the role of the state. The Reconstruction and Development Programme (RDP) was the major policy initiative of the ANC government after the 1994 elections. It was an integrated and coherent socio-economic programme. It attempted to integrate development, reconstruction, redistribution and reconciliation into a unified programme. It was intended to be a vision for the fundamental transformation of South African society. The RDP was intended to be a social democratic vision for the country with emphasis on welfare rights and the poor. The adoption of the government's Macro-Economic Strategy for Growth, Employment and Redistribution (GEAR) in 1996 committed the government to

more orthodox fiscal policies. The GEAR was a macroeconomic strategy primarily aimed at reducing the government budget deficit, albeit within a broader growth and development strategy. The government did not abandon the RDP but public sector investment remained low during a period of financial consolidation.

The adoption of the GEAR in 1996 led to the implementation of public sector reform in a more budget-driven paradigm with an emphasis on goals such as cost-cutting, right-sizing and privatization. The White Paper on the Transformation of the Public Service in 1995 laid down the national policy framework for the transformation of the public service. Many of its recommendations were in line with "international best practice".

The South African Public Sector Governance Reforms

Between 1994 and 1998, three issues dominated debate over the public sector: (i) affirmative action; (ii) the role of government; and (iii) the size of the civil service. All three featured prominently in the public service reform efforts embarked upon by the government since the transition from apartheid to nonracial rule in 1994. South Africa's public sector reforms were shaped by experiences of both developed and developing countries. They were drawn on public debates on the desirable features of a new public service that began in the transition period and continued after the 1994 elections. The Minister of Public Service assumed the role of cabinet-level champion of public service reform. To prepare the ground for government decisions on the subject, members of the reform committee went on study tours to selected countries in both developed and developing countries. Furthermore, two workshops were organized in 1995 and 1996: the former was focused on learning lessons from the experiences of other Commonwealth countries. Participants in the workshops were drawn from the central government, provincial government, parliament, academia and selected civil society organizations. The minister attended sessions of both workshops. At each workshop, the South African participants made it clear to the other participants that they were interested in learning about good practices to adapt for use and bad practices to avoid. This is understandable given that during the apartheid era, the South African public service was isolated and out of touch with international developments in public and civil service reforms.

The fundamental principles of public sector reforms are enshrined in the 1996 Constitution, which was further elaborated in the 1997 Public Service Act. In addition to the Constitution and the Public Service Act, the legal framework for running the civil service include the White Paper on Public Service Education and Training (1997), Skills Development Act (1997), Code of Conduct for Public Servants (1997), White Paper on Affirmative Action (1998) and Employment Equity Act (1998). This legal framework for running the civil service is seen as arguably the most comprehensive in Africa.

According to the Constitution, public administration must be broadly representative of the South African people, must be development-oriented, and must be accountable. The overall objective, as stated in the Public Service Act, is "the creation of a people-centred public service which is characterized by equity, quality, timeousness and a strong code of ethics".

The following are among the specific issues to be addressed as set out in the White Paper on the transformation of the public service:

(i)   restructuring and rationalizing the public service;

(ii)   transforming service delivery;

(iii)   enhancing accountability;

(iv)   human resource development and training;

(v)   improving employment conditions and labour relations; and

(vi)   the promotion of a professional service ethos

As part of the reform, the Personnel Expenditure Review was undertaken in 1999, which led to the following:

(i) review of determination of conditions of service for Senior Management Staff (SMS), promotion system and pay progression with a view to introducing a performance-based system;

(ii) review of macro benefits in the public service with special focus on medical aid, housing and pension with a view to ensuring efficiency, adequacy, equity and administrative justice;

(iii) review of collective bargaining structures in the public service to define roles and responsibilities and issues to be negotiated at national and sectoral or departmental levels; (iv) amendments and adoption of certain laws to facilitate civil service reform; (v) move towards the developmental state and promotion of economic growth and social objectives;

(vi) move towards the single public service; (vii) introduction of affirmative action: race, gender and disability; (viii) focus on improved service delivery and taking government to the people.

Some Progress Made in terms of Public Sector Governance Reforms

A number of achievements have been recorded. They include the following:

(i)   The move towards the developmental state to simultaneously promote economic growth and social objectives such as poverty reduction which facilitate state intervention in the market. This entails a stronger public sector to improve service delivery and poverty reduction. This has led to centralized move such as the provision for a single public service encompassing local government to ensure vertical coordination between various spheres of government and pointing to the dangers of excessive decentralization.

(ii)   Downsizing or rightsizing was undertaken through the introduction of voluntary severance programme in 1996 to encourage existing staff to voluntarily retire. There was a decline in the number of personnel, although not to the anticipated levels. Total employment in the public service declined from 1,267,766 in September 1995 to 1,031,594 in December 2000.

(iii)   The creation of Senior Management Services (SMS) on the recommendation of the Department of Public Service and Administration (DPSA) incorporating

managers between the ranks of Director and Director-General, with a flexible remuneration system and a competency based management framework in 2001on mostly three-year contracts. Since its inception in 2001 there were 4,623 employees in the top 4 levels, namely, Director-General, Deputy-Director, Chief Director and upwards and risen to 8592 in 2008.

(iv)   Contract appointments were made involving hiring people on contract often outside the public sector and entailing terminating the contracts of those who do not perform. It brought in new people and ideas as well as facilitating the departure of weak heads of department. It reduced complacency, led to change and innovation and facilitated the displacement of poor performers.

(v)   An open employment system was introduced whereby all posts would be filled by competition. It was a key aim of the new government to create a representative public service. The ANC government introduced a policy of affirmative action for blacks, women and gender. There is, however, some evidence that suggests that patronage appointments in the public service have grown substantially since 1994. There is the influence of the controversial deployment policy of the ANC, which deploys party members to senior management positions in the public sector, many of whom lack relevant training and experience.

(vi)   The Public Service Law Amendment Act of 1997 and the Public Service Regulations of 1999 introduced performance management under which senior managers who were not head of departments would enter into performance management contract with their immediate supervisor, while in the case of the Director-General it would be with his/her minister. The objectives are to provide a reliable and balanced measure to assess the manager's performance, to determine whether they are performing their functions effectively and to improve the political-administrative interface between politicians and senior management.

(vii)   The White Paper on Transforming Public Service Delivery commonly called the "Batho Pele" (People's First) aimed at making service delivery a priority in the public service. It entailed a shift away from bureaucratic systems, processes towards a new way of working which was faster and more responsive and which put the needs of the public first. "Batho Pele" comprises 8 principles, namely, consultation with citizens on the level and quality of services; the setting of service standards; equal access; courtesy and consideration; provision of information on eligibility; openness and transparency regarding costs and responsibilities, providing redress and value for money (South Africa, Republic of 1997). Consequently, Multi-purpose Community Centres (MPCCs) now called "Thusong Centres" were created in 1999 to deliver services of all spheres of government from a single location. As of 2007, 96 centres were in operation while the number rose to 125 in 2008.

Problems and Challenges in Public Sector Governance

In spite of the achievements, there are problems. The large number of lower-level personnel who could not be redeployed and did not apply for voluntary severance programmes (VSPs) because of limited marketability. Right-sizing targets were only prepared to offer a limited number of posts for abolition and the VSPs led to the departure of skilled and experienced personnel and the retention of non productive employees. In addition, even though there was a reduction in personnel bill, the wage bill continued to increase.

The procedure for appointment of the Director-General ensures that they are appointed largely on the basis of political affiliation. Consequently, the British system of professional career head of department has largely been replaced by a combination of political and contract based appointments. The contract appointments led to high turnover of Director-Generals as result of the politics-administration interface given that relationship rather than competence that determines their tenure. It also led to the premature termination of contracts because the best person is not necessarily appointed.

This also affected institutional memory and organizational knowledge and discouraged suitable candidates from applying. Attempts to create a more flexible employment system have contributed to slower appointment procedures. One of the unintended consequences of adverting posts nationally has been to create a recruitment system which has been just as slow if not slower than the old public administration system. The inflexible labour legislation makes it difficult to dismiss non-performing staff.

A RECENT PRESS QUOTATION TO SIGNIFY THE CURRENT STATE OF AFFAIRS IN TERMS OF GOVERNANCE AND SERVICE DELIVERY STRIKES IN SOUTH AFRICA

Quote from the Sunday Times of 2014/01/20 page 13

> "South Africa is ruled by the gun". …. "I have been feeling cold and furious for a week now. What does it take for a black person's life to mean something in this country? How many names must we add those of Olga Kekana, Andries Tatana and the Marikana workers – murdered by the state? Why must people die to get the state to provide water? It is 20 years since we discarded a system that considered black life to be nothing. Now we have a state that ignores for months black lives' plea for water. When they go on the streets, the same state, the state of South Africa kills them".

Seminar Topics on Governance in the Public Sector

1. Critically discuss the History and Role of the State in Public Sector Governance.

2. Define and explain the meaning of "Governance" (whether in the private or public sector) and then critically comment on the theories of Governance in the Public Sector

3. *Efficiency in the private sector is driven by technological and organisational change—a direct response to competition in a turbulent market. In the public sector, this crucial market incentive is missing and therefore, efficiency through innovation is seldomly pursued (Weehuizen et al., 2006). As a result, inefficient public administration leads to*

underproduction or poor utilization of resources, which in turn, leads to a „deadweight loss" *- a decrease in consumers" and producers" surplus. In effect, this means that society at large carries the burden created by an inefficient public sector (Forje, 2010).* Critically comment on this statement.

4. What are some of the major problems and challenges of governance in South Africa? Refer both to the private and public sectors. Are these unique to the South African State?

5. Identify and critically elaborate on TWO of the most pressing problems of governance in the public centre.

6. Is Service Delivery a security risk in South Africa? Critically elaborate.

7. Will the issues of Violation of Ethical Codes and Corruption ever be resolved in South Africa? Justify your position.

8. Is there an international framework for good practice in Public Sector Governance? What are some of the inherent difficulties in implementing good practice? Refer in particular to the benchmark documents of good governance in South Africa – The King Reports.

9. Within the context of the global economy and the development state, Asian economies have been able to deal cogently with issue of governance in Public Sector Governance. Given that South Africa is an emerging economy and a member of BRICS, do you think that South Africa could replicate some of the Asian success stories? Justify your position.

10. What new measures and innovations would you recommend to improve governance in the public sector in South Africa?

11. Do you believe that lessons of governance in private sector have relevance for governance in the public sector? Justify your position with positive examples.

12. Based on the major problems and challenges we have been witnessing in terms of governance in the public sector in South Africa, do you think the country has a positive future? Justify your position.

13. Of what relevance is the issue of Governance to the core curriculum of business education, generally and at Regent Business School, specifically?

14. Of What relevance is good governance to the alleviation of poverty? Use the Millennium Development Goals documents to justify your response.

15. It is unlikely that we will ever achieve a "steady state of governance" in any country. What then is the solution, especially with reference to good governance?

16. Is there an integral relationship between good governance and social justice? Critically comment.

17. Is there an inextricable relationship between good governance and sustainable development? Critically comment.

18. Imagine that you were a policy specialist and hired by a municipality to make some convincing policy changes with reference to the issue of corruption in order to bring about fundamental transformation with the institution. Detail how you would go about doing this and what critical issues will you deal with in order to effect transformatory change with a view to better governance structures in all municipalities in South Africa.

19. Whilst it is generally argued that virile trade unions and civil society promote good governance, the post-apartheid South African state seems to be experiencing a situation of serious contradictions - trade unions and civil society have not been living up to the general expectation of the ordinary people and consequently the problems that face the public sector seem to grow at a phenomenal rate and intensity. Critically discuss.

20. What is the critical relationship between "food security" and "good governance"? Of what relevance is this critical issue to South Africa's public sector, and in particular, the overall security of a nation?

Note: *A Selected Bibliography will be provided. A Schedule for presentation of Papers will be provided shortly.*

Professor Anis Karodia
Dr. Joseph David
Professor Marvin Kambuwa
Professor Malcolm Wallis
Professor Dhiru V Soni