

**Submission of comment on the Draft Revised White Paper for
Local Government
To the Minister of Cooperative Governance and Traditional Affairs**

Public Affairs Research Institute (PARI)

28 May 2026

Contents

1. General comments.....	2
2. The macro-structure of local government: Chapter 2	3
3. Cooperative governance: Chapter 3	6
4. Political leadership and accountability: Chapter 4	8
5. Public participation and community-municipal relations: Chapter 6.....	10
6. Relations between elected leaders & traditional authorities: Chapter 7.....	13
7. Local government financing: Chapter 8	15
8. Service Delivery and Infrastructure: Chapter 9	18

1. General comments

The Public Affairs Research Institute (PARI) is pleased to submit comment on the Reviewed Draft White Paper on Local Government. The draft paper makes a number of sensible proposals, including some bold ones, and outlines the big issues facing local government. We suggest, however, that:

- Work is needed to make the guiding principles for reform clearer in some chapters (we provide examples in the section on the structure of local government, and in the chapter on finance), and to craft an overall vision for local government that spans all the chapters (there is unevenness across chapters, for example, in the way “decentralisation” is grappled with).
- In a number of sections of the paper, technical/managerial proposals are made to address political problems that are unlikely to be amenable to such fixes (for example, managerial proposals can’t address problems of intergovernmental relations as a result of political fragmentation, or the problems of poor political leadership in council). Instead of providing policy proposal for all the challenges of local government, when this simply may not be possible, it may be better to simply reaffirm (in key places in the text) the importance of revitalised democratic politics for South African local government.
- Accordingly, the paper might narrow the range of proposed reforms somewhat and make clear suggestions for prioritisation, as well as aligning proposals across the paper: the document suggests numerous changes and many policy options, and in this sense, does not offer a clear, manageable reform path.
- The draft white paper reads as a “green paper” – a format now insufficiently used and originally intended as the government’s first outline of a possible policy options for deliberation and fine-tuning. The lack of social and political consensus around the final direction of reform in some chapters is clear, and the adoption of this document as a white paper (even with some tweaking) would be premature.

It is unfortunate that insufficient time has been provided (3 weeks) for public comment on a document with such significance for local government and its residents. While formal engagement was undertaken with some stakeholders in the lead-up to the release of the document for public comment, this engagement was far from broad-based.

2. The macro-structure of local government: Chapter 2

Chapter 2 raises significant issues concerning the structure of local government – specifically, it addresses the categorisation of municipalities based on social, economic, and geographic data, and the allocation of powers and functions in accordance with that categorisation. It proposes two options, though it favours option 1 i.e. moving to a single-tier system, and expanding the “menu” of categories for local government, in which some categories result in a removal of powers and functions from municipalities (requiring constitutional amendments), which would be undertaken by national and provincial government.

- **Feasibility of option 1 (single tier):** While we are sympathetic to the model in the abstract, this kind of structural overhaul tends only to be feasible following moments of major political upheaval, or regime change – such as the end of apartheid. Adopting option 1 would trigger significant political opposition and backlash, combined with legal and administrative upheaval, sapping scarce governmental resources which may be better mobilised around more impactful proposals. (More in-depth cost-benefit analysis would arguably have assisted in this regard - even if only by way of sketching various scenarios associated with adopting one versus another model).
- We suggest that chapter 2 is rewritten, with the chapter outlining a set of more achievable, politically feasible options, and which tease out, in more clear fashion, the principles and mechanisms for such reform.
- **On the concept of differentiation:** In this regard: the draft notes that the current local government system is not well designed to respond to the enormous variations in delivery capacity and economic viability of South African local governments. A key concept used in the draft paper for addressing this is that of “differentiation”. The revised paper is correct in placing the need for differentiation front and centre. However, this concept of differentiation and how it relates to the constitutional vision, and how it relates to the concept of “subsidiary”¹, could be more thoroughly laid out.
- **Operationalising differentiation:** The basket of options for operationalising the concept of differentiation could then be more substantially explored. The chapter moves quickly to suggesting that in order to deal with the need for different municipality’s capacities to delivery, the constitutionally designated municipal categories should be redesigned, such that stronger municipalities receive more functions, and weaker municipalities have some functions relocated to provincial and national government.

¹ That government should be set as close to citizens as possible, at the level best equipped to deliver.

- There are a number of reasons for being cautious about this approach.² It may result in some loss of democratic control (democratic accountability to residents). Since the various functions that might be removed are not dealt with in any detail, however, it is not easy to judge how this would play out across for example, housing, versus, economic development, water and so on.
- **National and provincial capacity:** Second, more evidence needs to be provided as to whether national, and especially provincial government, have sufficient and appropriate capacity to take on local government functions. The number of underperforming municipalities is large, and by objective criteria many could be determined for removal of functions. South Africa now has extensive experience with municipal functions being placed under prolonged periods of provincial and national guidance, and even once devolved national and provincial concurrent functions (such as housing) being taken away. Are these working? More evidence is needed to substantiate proposals with such wide-ranging, systematic implications.
- **Governance or structural viability constraints on capacity:** Third, the chapter does not sufficiently deal with the extent to which these functions should be taken away from some municipalities due to political and governance factors shaping performance, or due to geographic and economic characteristics on capacity (i.e. they are structurally unviable).³ If the assumption is that the former set of dynamics (even if in complex interaction with the geographic and economic context) *is the key issue to address in delivery performance, then this suggests that thought should be given to the incentives and disincentives for improving governance and administrative systems over the medium to long term.* (Where the latter set of dynamics is the primary concern, this provides stronger justification for structural reform in the scale, tiering, and functions of those municipalities).
- **Incentives for improving capacity:** Given that municipal categorisation is fairly static, happening a *maximum* of every ten years to ensure some stability in delivery (see the draft paper on this) it is not clear how incentives would be created for a particular council to improve administrative capacity for delivery, and it's not clear how such capacity would be developed. (Even if with the best of intentions, would removing functions from local government produce a continuing pattern of underdevelopment of the institutional capacity of the state in areas correlating with the old homelands?).
- **Option 2, and the need for a greater grappling with the districts:** Chapter 2 skips too quickly past the option of reimagining districts, including building up their capacity to coordinate and provide support services where economies of scale or lack of technical capacity in local governments are an issue. More generally, because the paper favours

² We are not against the idea of major reform or constitutional amendment in principle, where there is good reason and sufficient social and political consensus.

³ Also, the paper does not deal with the complex issue of how to measure delivery capacity in recategorizing municipalities - if based on a track record of performance, this could lead to category A municipalities losing major functions over the long to medium term, undermining the idea of category A municipalities.

the single-tier option, option 2 (adapting the two-tier system) is somewhat underdeveloped, even though it is a more feasible route. Far more attention should be given to proposals for reforming districts (including political representation – a point very well but briefly made) and its relationship with local municipalities, along with the pros and cons of this in relation to moving functions “upwards” to national or provincial government. The suggestion of somewhat adjusting the category A definition to enable more municipalities to be incorporated into this category seems like a sensible proposal.

- **Differentiation needn't be limited to recategorization:** Central regulators have a great number of tools available to reshape behaviour in local government. These can include restructuring local government, granting and removing functions, intervention and supervision, policy guidance and regulation, fiscal provision and capacitation, and so on. Given extreme unevenness across local government, we are not convinced that opportunities for differentiation across the frameworks that govern the use of these tools have been sufficiently explored. The appropriate format of differentiation is also likely to vary across specific functions, such as water, economic development, roads, district health and so on, and depending on the reasons for lack of performance (economic viability versus serious governance dysfunction, or both). The various tools for influencing local government and arguments for differentiation could be more teased out to provide workable mechanisms for reform.
- **Options:** Section 154 creates a positive duty to support and strengthen municipalities to effectively manage their affairs, which arguably implies differentiated governance where capacity is no present. The paper could more thoroughly explore strengthening the framework, **including the authority**, for national and provincial interventions under section 139 and 154 of the Constitution, and the capacity of the centre to support municipal turnaround (this is dealt with to some extent in Chapter 3). It could further explore how the regulatory regime for a particular delivery area can be applied in a differentiated fashion i.e., without wholesale removal of functions and with some “carrot and stick” built in for improving capacity. PARI has argued elsewhere this could be explored for public procurement, for example, where instead of the commonly one-size-fits-all approach to authorisations, policy and regulation, central governance of procurement could be differentiated according to measures of procuring institution compliance, performance, capacity, and transparency. In this scheme, procuring institutions that achieve higher scores on these measures would have more autonomy to engage in more flexible procurement decision-making, while those that score poorly would be subject to more stringing higher authorisations and procedures. In this regard, categorization of municipalities into a “tier” for those with less procuring capacity should be linked to a roadmap outlining how the municipality can move into a higher category by meeting certain standards and accepting certain forms of support.

3. Cooperative governance: Chapter 3

The chapter correctly highlights the challenge of fragmentation in local government regulation and monitoring systems, the compliance burden facing municipalities, and the lack of coordination regarding interventions in local government crises.

- **On regulatory review:** Some kind of regulatory review commission is probably a very good idea, whether ad hoc or permanent. These commissions, internationally, often have a broader mandate than simply local government, and where exclusive local government mandates do hold the brief often broadly includes such matters as unfunded mandates. Such a commission should be coordinated from the Presidency to help resolve possible tensions or conflicts between regulatory departments, and with representation including SALGA and the metros.
- **On a coordinating centre:** It is not clear who is responsible for convening the policy coordination centre mooted in the chapter, who or which institutions comprise this centre, and what decision-making authority it has. If it is simply comprised of representatives from various centres of government with a role in local government, it is not clear why it would not be affected by the very coordination problems that have shaped previous multi-departmental and multi-government forums. Likewise, for the “Steering Committee” for planning. It may be important to allocate a lead convening institution for various pieces of work (policy coordination, regulatory review, monitoring etc).
- **Regarding a framework for national and provincial interventions** (“Establish a single data-driven system of oversight, early warning, intervention and enforcement”): The scale of the municipal crisis in South Africa is such that interventions will require inherently strategic, and therefore political decision-making, involving the mobilisation of political backing and brokerage. Introducing a clear framework for interventions is clearly welcome, as is developing the capacity to collect and analyse data on municipal functioning. We do not feel, though, that the decision regarding when and whether to intervene should be simply data and “framework” driven (versus data informed). There must (and inevitably will) be room for political considerations in this regard, which should be appropriately checked and balanced by setting clear threshold requirements, requiring periodic reporting and justification, and providing appropriate transparency regarding the progress of interventions to the public.
- **Prioritising interventions:** As we noted in our comments on the Intergovernmental, Monitoring, Support and Interventions (IMSI) Bill, there is a risk of developing a monitoring and early warning system that is likely to show that an overwhelming number of municipalities are in crisis and in need of intervention. The state, however, does not have the capacity to address failing state institutions all at once. A basis for prioritizing and proportioning initiatives in one institution/location over another is going to be needed, although the political dynamics surrounding interventions suggest that these will have to be indicative (recategorizing municipalities in terms of proposals in chapter 2 will

not get rid of this challenge, as many municipalities are failing to meet even basic service delivery commitments). The IMSI Bill must help provide this.

- **Broader constituency input to strengthen interventions – with cross cutting relevance for chapter 6 on public participation:** The draft white paper might also want to outline the value of ensuring sufficient opportunity for interested groups, such as local residents, organised local business, and civil society, to influence support initiatives and interventions. This role could conceivably be afforded at the point of initiation, through petition procedures; through mechanisms for public comment on process documents, consultation or the construction of oversight committees in the course of implementation, and engagement with final reports. If such opportunities are established and managed effectively, they can become an important bulwark for the goals of intervention. This sort of approach would further signal commitment to meaningful public participation in local government.

4. Political leadership and accountability: Chapter 4

The chapter includes some sensible proposals, many of which are cross-cutting with Chapter 5 on administrative capacity and professionalisation. For example, it suggests differentiated “model delegations frameworks” that can be tailored by individual municipalities to their own context, and clarifying better in law the political-administrative interface (roles of politicians vs roles of senior administrators).

- **Managerial solutions to political challenges:** Despite noting that many problems in local government are fundamentally political in nature, Chapter 4 often falls back on essentially managerial solutions. For example, the draft paper notes, “Accountability [must] flow downwards to communities as a matter of routine, through [our emphasis] stronger transparency and reporting expectations and through enforceable community facing mechanisms, including an ombud system, national complaints and grievance standards, a single municipal complaints system with timelines and public dashboards, and written council feedback on community inputs” (p. 35).
- **Proposals for downward accountability are limited and could create new upward compliance pressures:** Some of these proposals may in fact create further “upwards facing” compliance pressures, such as an ombud system, national complaints and grievances standards. We have some concern that these kinds of proposals also move against the paper’s concerns with the municipal compliance and reporting burden. Furthermore, public performance contracts for mayors and MMCs may serve to distract political energy, or get used with ill intention in coalition politics – are elections not in fact a vital public contract? Strengthening induction systems, minimum competencies, and codes of conduct may be useful at the margins, but they don’t address the underlying allocations of powers, checks and balances, and political dynamics that produce political dysfunction in local government.
- **Separating politics and administration and specifying roles:** A more promising line of reform is to address patronage at its source, political interference in administrative processes to capture patronage resources. This requires maintaining a clear separation between political and administrative roles, delegation frameworks that define these accordingly, and keeping politicians out of procurement and other lucrative decisions; all of which the Chapter appropriately identifies. The most important feature of this agenda is addressed in Chapter 5. It involves introducing robust independent checks and balances into council appointment decisions⁴, while giving administrative officials the job security needed to resist political pressure under an independently adjudicated system of senior management discipline. The Chapter 4 proposals for clear channels for political instruction and model delegation are also important.

⁴ See our proposals here: PARI Policy Brief, ‘Stabilising’ the political-administrative interface in local government: where to from here?: <https://pari.org.za/policy-brief-stabilising-political-administrative-interface-in-local-government-where-to-from-here/>

- **The paper could address itself more to the public than it does:** An improvement in the quality and orientation of political leadership will ultimately rest on a revitalisation of democratic, programmatic social mobilisation, which is able to constitute a political power able to enforce adherence to the law and drive through broader reforms.
- **Social mobilisation and developmental local government:** Calls for ethical government or zero-tolerance to corruption are not going to have powerful effect without this broad, social mobilisation. Achieving this mobilisation requires a vision of what local government can do *materially* for people. This is especially important in the face of rising populism. This is a vision that Chapter 4 could put at its centre. It also has implications for other chapters. While the constrained fiscus and inefficiencies in local government spending must be grappled with, elevating such concerns above all other consideration, will run in an opposite direction, toward creating political tensions that may undermine that social mobilisation.
- **On regulating coalitions:** The Chapter argues for “binding” coalition agreements. The bindingness of such agreements is questionable, given that it would mean that an inter-party agreement overrides the individual mandate of councillors, while encroaching on the constitutional powers of the executive and legislative functions of local government. An overly rigid legal approach to regulating the political sphere may have little positive impact on accountability (much of the meat of coalitions may well be negotiated outside of public view, irrespective of a written public agreement), while reducing the room for legitimate strategic flexibility on the part of coalition partners. We support tighter rules governing the removal of political office-bearers, except for cases of misconduct, and a higher vote threshold for seats on councils.
- **On movement toward the collective executive system:** In a mayoral executive system, the mayor constitutes the executive, appointing members of the mayoral committee. In a collective executive system, an executive committee is constituted proportionately to the votes of parties in council. There is an argument that this makes the mayoral executive system more unstable than the collective executive system, given that removal of the mayor in the former reconstitutes the entire executive, whereas the executive committee in the latter remains regardless. This argument, however, involves a limited concept of stability, which doesn’t measure how parties can work to bypass collective executive decision-making, or gridlock that decision-making through inter-party conflict. In addition, we have also outlined in our submission on the “Coalitions Bill”,⁵ that the mayoral executive system also has advantages for programmatically focused mayors wanting to drive change.

⁵ PARI submission on the Local Government Municipal Structures Amendment Bill, 2024:
<https://pari.org.za/public-comment-local-government-municipal-structures-amendment-bill-coalitions-bill-2024/>

5. Public participation and community-municipal relations: Chapter 6

We welcome the chapter on public participation and improving municipal-community relations. As many commentators have noted, there is currently a compliance approach to these processes and structures, when the focus needs to be on “meaningful participation”.⁶

- **Deepening participation across the participation spectrum:** We suggest that the drafters consider adapting the title of the chapter. *While deeper forms of engagement like “partnerships” and “collaborative governance” are the goal, there is still all the daily work of participation that municipalities must undertake in terms of the IDP process, ward committees etc. Sometimes simply providing better information to communities would be a start. We should be focusing on deepening participation for impact across the participation spectrum so that we do not detract from the foundational work that needs to be done in some municipalities in terms of engaging with and including citizens, communities and CSOs. We need a policy shift that takes cognisance of these nuances and provides conceptual clarity and practical guidance for municipalities.*
- **The role of residents vs rate payers and public participation:** The chapter might also note the class based-nature of public participation in many municipalities: it is very common that municipalities act as though only those who pay for services have a say in how the municipality is governed, and those in very low-income areas are treated differently to ratepayers. Equality of citizens in terms of public participation in a municipality should be emphasised in the draft paper, which is not to say that differentiated approaches cannot be taken depending on the specific nature of wards and areas.
- **Conceptual clarity could be provided** in some sections of the chapter. A definition of “all of society” partnering approach should be provided, as well as for “partnerships” and “collaborative governance” where they are first used in the document. The chapter should ideally be more practical and focus on “the how” of improving participation. What is probably needed are regulations or guidelines to be published that give effect to the Constitution, legislation and the policy shifts of the White Paper. Municipalities are looking for more conceptual and practical guidance around public participation, understanding that previous approaches have failed.
- **Regarding improving ward-level participation, oversight and accountability:** the development of ward level plans and participatory budgeting in terms of a portion of the ward budget should be emphasised. There is appetite for this in municipalities, and it used to occur in many municipalities and wards.⁷ Deciding on and implementing a joint

⁶ COMPACT (2025) Community Participation Index Case Study: <https://pari.org.za/wp-content/uploads/2026/02/COMPACT-Community-Participation-Index-Case-Study-FINAL.pdf>

⁷ COMPACT (2024) Public Participation and Municipal Planning in South Africa: A Consolidated Technical Findings Report on Action Research at 12 Local Municipalities, p. 66: <https://pari.org.za/wp-content/uploads/2024/12/COMPACT-Consolidated-Technical-Findings-Report-FINAL-November-2024.pdf>

project/s using the ward budget can help build trust and improve relationships between councillors and communities.

- Ward councillors are critical as the elected representative in the ward and chair of the ward committee as the chapter underscores. Little can get done without their interest and involvement. COMPACT emphasised the need to set out the different ways that ward councillors (together with their ward committees) can work with residents and communities to improve their neighbourhoods. These should find their way into the White Paper in some form.⁸ While there are legislated forums and processes for participation (“invited spaces”), there are also other opportunities that can be created between councillors, ward committees, communities, community leaders, CBOs/CSOs etc (“invented spaces”).⁹ These could be around implementing ward and community projects; developing collaborative forums around local issues; advocating for policy change; undertaking civic education; and strengthening accountability frameworks.¹⁰
- **Strengthened municipal communication and citizen care:** effective communication is central to participatory, transparent, and accountable local governance. However, across South Africa, many municipalities persistently fail to communicate with residents - undermining public trust, weakening citizen participation, and exacerbating service delivery tensions. Section 6.4.4. would benefit from also referring to the need to strengthen municipal communication as a *strategic administrative function that enables democratic governance*. Improving communication *within* municipalities between politicians and the administration is also critical, and this impacts how communities are engaged or not.¹¹ A new communication framework for local government is not needed. Instead, an evidence-based implementation approach to support municipalities in applying existing national communication policies more consistently and effectively is required. The existing national communication policy instruments are useful documents that should be implemented.
- The following shifts are needed:
 - The elevation of communication within municipal governance and administration and the professionalisation of municipal communication structures;
 - The institutionalisation of structured, two-way community engagement (especially to strengthen the councillor–community communication interface);

⁸ COMPACT (2025) Municipal Councillors. COMPACT Local Government Pamphlet Series. See <https://pari.org.za/wp-content/uploads/2026/02/COMPACT-LG-Pamphlet-Series-Municipal-Councillors-FINAL-English.pdf>

⁹ COMPACT (2026) Working Towards Collaborative Local Government: A Reference Guide, p. 90: [COMPACT-Working-Towards-Collaborative-Local-Government-Reference-Guide.pdf](#)

¹⁰ COMPACT (2026) Working Towards Collaborative Local Government: A Reference Guide, pp. 55-58.

¹¹ COMPACT (2024) Public Participation and Municipal Planning in South Africa: A Consolidated Technical Findings Report on Action Research at 12 Local Municipalities, p. 117.

- The integration of knowledge management to support evidence-based communication; and
- The combined use of digital and traditional communication platforms to address the communication divide.
- **Civic education and inclusion:** under section 6.4.6 there is reference to working with civil society and NGOs around civic education. This could be emphasised more. NGOs and CSOs have developed relevant and useful civic education materials, as well as have access to networks, which should be drawn on for civic education initiatives. Educated citizens are crucial to ensuring accountability in municipalities, and these kinds of joint collaborations can strengthen trust and relationships and can form the basis for other partnerships.

6. Relations between elected leaders & traditional authorities: Chapter 7

The chapter on traditional leadership explores the uneven and ad hoc relations between municipalities and institutions of traditional leadership. This is problematic for areas under customary tenure, in which both entities exercise governance roles. According to the White Paper, the major problem lies in the fact that the municipal-traditional authority relationship is not “framed as an enforceable obligation” with standards and guidance on the nature of interactions (p. 61). The White Paper proposes a series of measures to formalise the relationship with traditional leaders and bring them to the centre of local government, particularly in terms of planning and service delivery. Central among these is to “move from loosely defined consultation and participation arrangements toward structured, enforceable partnerships”, linking these compacts to dedicated funding streams from infrastructure and service delivery grants, and supporting traditional authorities through capacity development and funding (pp. 64-68). There are three main issues with the draft.

- **Technical solutions to unresolved political issues:** The first, as with some other sections of the document, is that many of its proposals are technical/managerial fixes which do not necessarily articulate a broader vision for the sector. Providing a framework and guide for municipal relations with traditional leaders would surely be helpful – but the nature of those relations still needs to be worked out. The draft paper does note that some of these matters arguably require a separate White Paper on Traditional Leadership; there is no legislation which defines, for instance, the role of traditional leaders in land allocation. But at the same time, determining such roles is a fundamentally political issue, not one which is amenable to a technical solution.
- **Implications for democratic local government:** Nor is the White Paper politics-free in this regard: taken as a whole, the chapter makes a number of different proposals to bring traditional leadership to a more central role in local government. These range from proposing a funding regime for traditional leaders, to relying on the Provincial House of Traditional Leaders (in partnership with Provincial COGTA) for a serious dispute resolution mechanism between municipalities and traditional leaders, to “capacity building” for municipal officials and councillors on the role, value and limits of traditional leadership so that interactions are “informed, respectful and purposeful” (p. 68). The proposed funding of traditional authorities raises serious questions about the meaning of democratic local government and indeed the social contract, if some local government or even infrastructure funding is being channelled towards undemocratic institutions.
- **No explicit role for communities in compacts:** The draft paper recognises some of the risks of large infrastructural or economic developments in settings where household land rights remain unregistered. It notes that “In contexts where accountability frameworks are weak, traditional and Khoi-San leaders may be drawn into, or be perceived as party to, unilateral or opaque economic arrangements that lack meaningful community consultation...”. (p. 65). However while it proposes a number of accountability safeguards, these are again largely technical solutions. A broader view of the issue might

consider how to ensure traditional leaders are more democratically responsive – an imperative for all branches of government. In this regard, mandating direct community involvement in compacts would be valuable since it is ultimately these same communities to which both local government and traditional leadership is accountable.

- **Definition of “traditional and Khoi-San leadership”:** It is also worth noting that the draft paper’s phrasing of “traditional and Khoi-San leadership” has no official meaning since the Traditional and Khoi-San Leadership Act of 2019 was struck down by the Constitutional Court).

7. Local government financing: Chapter 8

The chapter correctly identifies the root causes of financial distress for municipalities. And it does moot some interesting/creative proposals, for example, origin-based taxes (though the extent to which such approaches would address the financial crisis in local government needs to be more thoroughly tested and teased out).

- **On the issue of affordability of municipal services:** the paper notes that there is an affordability crisis, but the quantum of the issue has not been emphasised. We note, for example, that 40% of households cannot afford to pay for basic services. Unaffordable tariffs are eroding food security significantly.¹² Ideally, there should be greater detail regarding how the fiscal framework can better balance cost recovery with affordability, particularly how best to protect the poor and ensure progressive tax and tariff structures.
- **A vision for affordable services:** The vision for local government, in terms of recognising the poverty and affordability crisis and outlining the commitment the state is making to address this, has been overshadowed by the concerns with a constrained fiscus and a very poor (financial) governance environment. We suggest that as a way to note the importance of a progressive, meaningful realisation towards a vision, the chapter must better affirm the importance of affordable services even within the constrained fiscal environment.
- **Minimum levels of services that all households are entitled to:** We would like to see a section in the chapter which outlines such a commitment in tangible form – for example, noting that, “In line with the National Development Plan goal of a universal minimum standard of living, the state must determine minimum levels of services that all households are entitled to. The long-term goal of local government is to progressively realise this goal. No person or household should be excluded from receiving this minimum level of services because of the inability to pay for them. The state must set concrete affordability standards for different categories of households, against which the affordability of municipal tariffs must be assessed. These affordability standards must take clear account of other important claims of household income, such as basic food requirements. Where households cannot afford to pay for the minimum level of services, free services must be provided.”
- **Free basic services:** There needs to be a progressive move towards the provision of free basic services to developmental levels that better empowers low-income households to engage in economic and social activity. Such consumption levels are also likely to have positive impacts on economic growth and development. The centre must commit to ensuring municipalities are allocating the money they are provided with for free services to households and not using these grants for other operational costs.

¹² T Ledger (2025) Affordability of Basic Services for South African Households. PARI Research Report. <https://pari.org.za/report-affordability-of-basic-services-for-south-african-households/>

Government could consider ways to better target these subsidies towards the indigent with a view to ensuring also that these “disproportionally” benefit the poorest households (i.e. towards pro-equity impact).

- **On the vertical division of funding:** The chapter notes that, “The solution [to the need for greater revenue for local government] must therefore lie primarily in structural reforms that are largely revenue neutral for national government.” The fact that local government spending is inefficient – not least due to systemic corruption – and that the fiscus is highly constrained, does not automatically imply that the vertical division of revenue is appropriate (and the extent of national efficiencies is not dealt with). While we recognise *there is not much room for* reallocation given the scale of the budget for important services like education, health, and so on, the possibility of increasing the national share towards local government should at least be grappled with.
- For example, the chapter correctly points out that increased bulk costs have impacted overall revenues, but such bulk costs are likely to have impacted the cost of free basic services, suggesting the need for a relook at the local government portion of the equitable share. As the equitable share is an equalisation grant and given the argument made in the chapter that key revenue instruments have eroded over time, a revision of the vertical division to better balance the increased costs of services and structural decline in revenues should at least be considered. If this is not done due to the current constrained fiscal environment, as argued in the chapter, then the need for additional revenue instruments for eroded current instruments needs to be urgently explored.
- **Cost of bulk services:** As noted in the Chapter, increased bulk costs have eroded municipal surcharges from services rendered and have impacted their affordability. The white paper should include a focus on bulk electricity and water providers, rather than limiting the analysis to municipal tariffs. The regulation of bulk tariffs should ensure that affordability for final consumers is an explicit principle in the regulation and approval process.
- **Financial implications of proposals made in other chapters:** Proposals made in Chapter 2 on macro-restructuring need to be tied in with this chapter on financing, especially regarding the assertion that fiscal models must ensure revenue neutrality for national government. Will moving the delivery of some functions previously undertaken by local government to national and provincial government not have implications for the vertical division of revenue (or is some other approach being imagined)? We assume the chapter on traditional leadership will also have funding implications.
- **Municipal trading services:** The municipal trading services reforms can contribute much of value. The concept of returning more robust personnel, procurement, and budgetary powers to trading services is important, especially for encouraging more professional decision-making, more closely tied to the needs of those divisions. We worry about the extent, however, that the financial logic of trading services reform predominates. If not appropriately hedged with financial support for social obligations, such a logic can compel trading services units to downplay those obligations,

underproviding basic services or engaging in cost recovery exercises that prove unsuccessful and inflame local tensions. This can have severe negative governance implications, as populist backlash can aggravate the political dynamics that have played a predominant role in producing South Africa's municipal crisis. This is not to suggest that financial viability is not important, but to note that it must be considered in the context of a more systemic analysis of South Africa's governance problems.



8. Service Delivery and Infrastructure: Chapter 9

This chapter outlines progress made and challenges around the provision of basic services. The chapter could place more emphasis on addressing issues of affordability and continuity of services facing residents in municipalities.

- **Community engagement in decisions around service provision:** in terms of the section 78 process, a water services authority (WSA) should be required to consult with communities before deciding on any service option. There is the need for support mechanisms to equip local residents to participate in Section 78 assessments and discussions. Bringing communities and CBOs into these planning processes could improve accountability and sustainability and can lead to partnership opportunities (see chapter 6 of the draft white paper). The chapter should emphasise the importance of municipal-community partnerships around service delivery, especially in rural areas and informal settlements.
- **Increasing the free basic services amount:** Water and electricity are critical inputs for running informal businesses and contribute to local economic development, in a context of high poverty and unemployment.¹³ PARI research shows that there are perverse trade-offs occurring at the household level in low-income communities to balance the need for water for cleaning, cooking, flushing toilets, food gardens, small businesses and so on. There are particularly onerous gendered dimensions to lack of access to sufficient water (the burden falling on women). The chapter should acknowledge the need for an increase in the free basic services amount.
- **“Bottom-up” service delivery monitoring and oversight:** The chapter discusses municipal monitoring and regulation “from above”, however there is good practice around how residents, communities, ward committees and CBOs/CSOs can assist in monitoring performance and service provision in municipalities (see for example, COMPACT’s piloting of citizen-based monitoring).¹⁴ These kinds of partnerships (referring also to policy shifts set out in Chapter 6) should be encouraged.

Contact

Dr Sarah Meny-Gibert
Public Affairs Research Institute (PARI)
sarahmg@pari.org.za

¹³ T Ledger (2025) Affordability of Basic Services for South African Households. PARI Research Report. <https://pari.org.za/report-affordability-of-basic-services-for-south-african-households/>

¹⁴ COMPACT (2026) Citizen-Based Monitoring Case Study: <https://pari.org.za/wp-content/uploads/2026/03/COMPACT-Citizen-Based-Monitoring-CBM-Case-Study-FINAL.pdf>