Ethnic leadership in the age of disruption: implications for South African municipalities

Rozenda Hendrickse (a)*

(a) Senior Lecturer, School of Public Management and Administration, University of Pretoria, Room 3.127, Level 3, EMS Building, Private Bag X20, Hatfield, 0028, South Africa

Abstract

Municipalities are mandated to follow principles of democracy, accountability and good governance. This is evident through the delivery of basic services. Municipalities are directly responsible for ensuring that communities have water, sanitation and so on, and that community members have a voice that affect their existence. This is however not the case in most South African communities where squalor and sordid conditions prevail. In 2021 it was reported that 64 municipalities were dysfunctional and that the dysfunction was attributed to "poor governance, weak institutional capacity, poor financial management, corruption and political instability". A Code of Conduct is available in the South African public sector, governing the behaviour and work ethic of public officials, councillors and the like. Yet corruption and maladministration at local government level prevail. Therefore, the Local Government Ethical Leadership Initiative was launched in 2020 with the view to devise another Code focused on Ethical Governance in South African Local Government by October 2023. The research question which this article addresses is centred on whether a new Code of Conduct is needed and whether the problem with the existing Code does not lie with its enforcement or the ethnicity of the public officials in leadership positions and their view on how to conduct business. The article employed a qualitative research approach where secondary sources of information, constituting document analysis, premised around disruption and ethnic leadership as well as the legislative framework in relation to the Code of Conduct governing South African local government in particular, and anti-corrupt behaviour, in general, were explored. Four provinces were purposely selected to partake in the study. Extracts from the AG’s report formed the locus of the study. It was found that one cannot explicitly say that ethnicity play a role in how municipalities are governed. However, governance at selected provinces were marred by poor governance practices and inadequate leadership. The Code of Conduct for Public Servants are generally not adhered to. Further research around ethnic leadership in the South African public sector is called for.

Introduction

Chapter 7 of the Constitution of the Republic of South Africa, 1996 (hereafter referred to as the Constitution) gives credence to the establishment of municipalities (South Africa 1996). As self-governing institutions, municipalities are mandated to follow principles of democracy, accountability and good governance. This is demonstrated through the delivery of basic services, cultivating healthy and safe environments, and encouraging civil society and private organisations to partake in municipal programmes and processes. Municipalities, as the sphere of government closest to the people, are directly responsible for ensuring that communities have water and sanitation, access to decent housing, refuse services, developed and maintained infrastructure, electricity and that community members have a voice that affect their existence (Corruption Watch 2021; South Africa 1996). Sadly, the aforementioned services, are but a dream for most South Africans who continue to live in squalor and sordid conditions. It was reported in 2021 that 64 municipalities were dysfunctional and that the dysfunction was attributed to “poor governance, weak institutional capacity, poor financial management, corruption and political instability”. (MFMA 2020-21 Consolidated General Report on Local Government
Audit Outcomes 2022: 4). Legislation and regulations such as: the Prevention and Combating of Corrupt Activities Act, 2004; the Financial Intelligence Centre Act, 2001; the Public Finance Management Act, 1999; the Local Government: Municipal Finance Management Act, 2003 to name but a few, and a host of international conventions and agreements South Africa is party to, were promulgated with the view to govern operations at national, provincial and local government. A Code of Conduct is available in the South African public sector, governing the behaviour and work ethic of public officials, councillors and the like. Yet corruption and maladministration at local government level prevail (Corruption Watch 2021). Therefore, the Local Government Ethical Leadership Initiative was launched in 2020 with the view to devise another Code focused on Ethical Governance in South African Local Government by October 2023 (The Ethics Institute 2022).

The question arises whether a new Code of Conduct is needed and whether the problem with existing the Code does not lie with its enforcement or the ethnicity of the public officials in leadership positions and their view on how to conduct business. On the African continent, in Nigeria in particular, corruption in all societal spheres appears widespread as well. In a paper titled “Ethnicisation of corruption in Nigeria” the author, Arowolo (2022: 246), contends that corruption is fuelled by and is a derivative of the nature of the ethnic composition in Nigeria. Arowolo (2022: 253) notes that despite the establishment of anti-corruption institutions and the adoption and deployment of various measures corruption in the country continues unabated. The author grapples with the question around how to “de-ethnicise” corruption. In the South African context, public sector organisations have very little “teeth” when it comes to the implementation of Codes of Conduct and the aversion of maladministration and corruption. In this context the researcher vies with the question posed by Hartley, Kuecker and Woo (2019: 163): “What does the modern policy practitioner do while awaiting this proverbial earthquake (continuous corruption and maladministration and the collapse of public sector institutions), the trigger for a new way of thinking, and the shift in epistemological paradigm?”

The research question, this paper wishes to address is: What role, if any, does ethnicity and ethnic leadership play in relation to good governance practices at local government level? It is hoped that this paper make specific theoretical contributions to the literature on ethnic leadership and its impact on governance in general. To this end, a qualitative research approach was employed. Secondary sources of information, constituting document analysis, premised around disruption and ethnic leadership as well as the legislative framework in relation to the Code of Conduct governing South African local government in particular, and anti-corrupt behaviour, in general, were explored. Selected Auditor-General reports in relation to municipal finance is drawn upon to make sense of the state of local government finance in the country. In the aforementioned context of the identified sources of information, content analysis is the most apt data analytical tool. “Content analysis can be used with a wide variety of data sources, including textual data, visual stimuli (e.g., photographs/videos), and audio data. In addition, the technique is highly flexible in that it can be either empirically or theoretically driven” (Stemler 2015: 1). It is further used to search across the secondary data in order to identify, analyse, and report repeated patterns.

The paper is presented in the following way. First an exposition of the concept disruption is presented. Thereafter a discussion around ethnic leadership and ethnicity is forwarded. This is followed by an exposition of how South African local government is constituted, together with a presentation on the Code of Conduct that governs the work ethic of public officials in general. The aim here is to juxtapose ethnic leadership and the existing Code of Conduct to determine if the latter is conducive in reaching their objectives in the contexts of various ethnic groupings leading specifically selected municipalities where dysfunction was reported in 2019 to 2022. Here content analysis as a qualitative analytical tool is used to make sense of the secondary data under scrutiny, as mentioned earlier. The paper concludes with findings and recommendations.

Understanding the concepts “disruption” and “disruptive innovation” in general and in the public sector in particular

According to Bunasim (2020:15) “for a long time, (the) public sector was trapped in a false belief; a myth that it did not need to change, that it did not need to be strong, wiser, agile, dynamic, and adaptive to an everchanging environment as it became an inevitable factor for corporations, who had to maintain their competitive advantage in order to always to be more excellent than other corporations”. The author sounds a wake-up for governments globally where routinised governance responsibilities are “old-fashion” and innovation disruption, agility and dynamic governance are now at the order of the day (Bunasim 2020: 15). But what is implied by disruption, and what role can it play in public governance? The Cambridge Dictionary1 forwards the following definitions for disruption. Firstly, it is “the action of preventing something, especially a system, process, or event, from continuing as usual or as expected”. Secondly it is viewed as “the action of completely changing the traditional way that an industry or market operates by using new methods or technology”. Disruptive innovation on the other hand, has been a buzzword since Clayton Christensen coined it in the mid-1990s to describe the way in which new competitors in a market can disrupt conventional industries and businesses (Larson 2016). Due to disruptive innovation, much of the way in which the world does business today, looks radically different. Turning to the public sector, disruptive innovation in government, remains a paradox according to Eggers, Baker, Gonzalez and Vaughn (2012). The authors contend that government is a monopoly not focused on profit and competition. The structural configurations of the public sector, the authors hold, may make disruptive innovation complex, yet not impossible (Eggers et al. 2012). The latter statement peaked the researcher’s curiosity. In what way can disruption impact governance practices at local

---

1https://dictionary.cambridge.org/us/dictionary/english/disruption
government level, in the face of continuous corruption and maladministration, as it is clear that we cannot continue to go about business as usual? Public sector organisations function in ecosystems. Ecosystems consist of a network of actors which include stakeholders such as citizens, public partners, users, civil society and internal public officials who deliver services. Today, wicked problems exist, in various changing contexts, that require a shift in mind-set and practices. Shifting paradigms and ideological formations of governance and public management from traditional public administration to New Public Management (NPM) and most recently New Public Governance (NPG) requires new innovation strategies (Chen, Walker and Sawhney 2020: 1676) or disruptive innovation that could produce meaningful input into how the public sector produce goods and services and also, how it is managed and governed (Eggers et al. 2012). Having posited the foregoing definitions on disruption and disruptive innovation, let us turn to a discussion on ethnicity and ethnic leadership in order to determine what impact these concepts may have on leadership practices at South African local government level.

Unpacking ethnic leadership and ethnicity

Hunt (2004) contends that leadership is absorbed in a complex, dynamic, and interactive mesh, which he refers to as a ‘historical-contextual superstructure’. He asserts that conceptions of leadership are intrinsically linked to various factors, including among others the nature of reality and ontological issues, stakeholder perspectives, and levels-of-analysis issues. Thus, how leadership is defined and studied will depend on one's conception of leadership, according to the author.

Ethnic leadership on the other hand, according to Martiniello (2010: 243) “refers to those members of the ethnic community who have the ability to exert intentionally some variable degree of influence on the preferences and/or behaviour of the other members of that community, the aim being to obtain satisfaction of the group’s objective interests as perceived by the leaders. When the influence is exerted effectively, it is done through the leaders-followers’ interactions in the ethnic community’s institutions. Ethnic leaders necessarily enjoy some degree of recognition by their followers in the ethnic community on which the leadership’s legitimacy is based”. Ethnic leadership in South Africa, surmised from the writings of O’Malley (n.d) refers to the representation and leadership of different ethnic groups within the country’s political and social landscape. South Africa is a diverse nation with a complex history of racial and ethnic divisions, shaped by the legacy of apartheid and subsequent efforts of reconciliation and inclusivity. Because of the latter, it is no surprise that a search for literature, in the context of ethnic leadership and ethnic governance in South Africa, conjures up little to no information. This reinforces the idea, that a study around these topics is important to fill the gap in the existing literature.

Ethnicity or an ethnic group on the other hand, refers to a group of people who identify with each other based on shared attributes which may include: traditions, language, history, ancestry, religion, nation or social treatment in the area in which they reside (Chandra 2012: 69). In South Africa, “ethnicity involves more visible local communities, built on face-to- face signal of dialect, kinship, status, religion, cultural practices, and on the force of understanding and fear produced by rural isolation. During the colonial and apartheid periods, the Black population of South Africa was divided into major ethnic groups, namely: Nguni people which consisted of Zulu, Xhosa, Ndebele and Swazi, Sotho people which consisted of Northern Sotho (Bapedi), Southern Sotho (Basotho) and Tswana, Shangaan-Tsonga and Venda, as well as Coloured and Afrikaners. There were separate Bantustans for the Zulus, Xhosas, Sothos, Tswanas, Vendas, Pedis and Shangaans. In urban areas, Africans were housed in the urban townships on ethnic lines and received their schooling in ethnic schools. Indians, Coloureds and Africans were also allotted separate schools. The largest ethnic group in South Africa is the Zulu and the majority of them live in KwaZulu Natal Province and Gauteng Province. The second largest is the Xhosa group. They are located in the Eastern Cape Province and Western Cape Province” (South African History Online 2019). The focus of the paper is thus on the metropolitan municipalities, located in the four aforementioned provinces.

South African local government

It is important to contextualise the South African local government landscape. In later text, this exposition becomes intertwined with a discussion around who is at the helm in leadership positions in the various municipalities, riddled with unqualified audits. Furthermore, the ethnicity of the various leaders would be interesting to note. One may then form an argument around whether one ethnic grouping is more prone to the mismanagement of a local government than another.

South Africa has 257 metropolitan, district and local municipalities. Eight of these municipalities are metropolitan, 44 district and 205 are local. Their core focus is on providing effective services, growing the local economy and providing and sustaining infrastructure. The Local Government: Municipal Structures Act (Act 117 of 1998) forwards criteria determining when an area must be a category A municipality (metropolitan municipalities) or category B (local municipalities) or category C (district municipality) (Department: Government Communication Information System South African Yearbook 2020-2021).

The eight metropolitan municipalities which are: Buffalo City, City of Cape Town, Ekurhuleni Metropolitan Municipality, City of eThekwini, City of Johannesburg, Mangaung Municipality, Nelson Mandela Bay Metropolitan Municipality and the City of Tshwane, have metropolitan councils with single metropolitan budgets, common property ratings and service-tariff systems, and single-employer bodies. Metropolitan councils may decentralise powers and functions where it is conducive. However, all original municipal, legislative and executive powers are vested in the metropolitan council. In metropolitan areas, there is a choice of types
of executive system: the mayoral executive system where executive authority is vested in the mayor, or the collective executive committee system where these powers are vested in the executive committee (Department: Government Communication Information System South African Yearbook 2020-2021). Non-metropolitan areas consist of district councils and local councils. District councils are primarily responsible for capacity building and district-wide planning. The Local Government: Municipal Structures Act (Act 117 of 1998) provides for the formulation of ward committees whose tasks, among other things, are to:

1. prepare, implement and review integrated development plans;
2. establish, implement and review municipalities’ performance management systems;
3. monitor and review municipalities’ performances;
4. prepare municipalities’ budgets;
5. participate in decisions about the provision of municipal services; and

The work ethic of all public servants in the aforementioned municipalities are governed by the following documents. Firstly, the Public Service Commission (1997) forwarded the Code of Conduct for Public Servants which contends that “[T]he Code should act as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and help to ensure confidence in the Public Service”. The primary purpose of the Code is thus to provide for exemplary conduct on the part of public officials. Furthermore, the Constitution, Chapter 10, demands that the Public Service, amongst others, maintains and promotes a high standard of professional ethics; promotes efficient, economic and effective use of resources; and is accountable for its actions (South Africa 1996). The Public Service Regulations of 2016 reminds public servants to adhere to the Constitution and other laws of the Republic. Public servants are therefore required to, amongst others, to put the public interest first in the execution of their official duties (Regulation 11 (b)). The key messages emanating from the aforementioned document are thus: the public service is anchored in the Constitution; the Public Service Regulations forms the conscience underpinning ethical behaviour, law enforcement institutions must act swiftly and decisively to root out corruption and lastly, that the Code of Conduct of the Public Service inspires the notion of Batho Pele hence, putting people first (Department: Public Service and Administration n.d).

Whilst the aforementioned policy documents appear quite noble, the 2021 AGSA report acknowledge that there was political and administrative leadership instability in many municipalities with most of them dealing with poor and inefficient oversight by their respective councils, thus implying a lack of adherence to the stated Code of Conduct and the mismanagement of funds (AGSA 2021:57).

The auditor-general reports

Before moving on to interrogate, specifically selected auditor-general reports, a reminder of the institution’s role is forwarded. “The auditor-general of South Africa has a constitutional mandate and, as the Supreme Audit Institution (SAI) of South Africa, exists to strengthen our country’s democracy by enabling oversight, accountability and governance in the public sector through auditing, thereby building public confidence” (Auditor-General South Africa [AGSA] n.d.:1). The AG thus checks the spending of public money (yearly audit) by looking at whether it has been used ideally and for the purposes intended.

Audit outcomes are based on the audits performed on the quality of financial statements and performance reports as well as on compliance with key legislation. The outcomes are reported as per the following categories:

i. A financially unqualified opinion with no findings (clean audit) means the municipality:
   a. produced quality financial statements free of material misstatements (in other words, errors or omissions that are so significant that they affect the credibility and reliability of the financial statements)
   b. produced quality performance reports that measure and report on performance in a manner that is useful and reliable
   c. complied with key legislation.

ii. A financially unqualified opinion with findings means the municipality was able to produce quality financial statements, but struggled to produce quality performance reports and/or to comply with all key legislation.

iii. A financially qualified opinion with findings means the municipality’s financial statements contained material misstatements that were not corrected before the financial statements were published. The municipality also had challenges with the quality of the performance report and/or compliance with key legislation.

iv. The financial statements of a municipality with an adverse opinion with findings included so many material misstatements that there was disagreement with virtually all the amounts and disclosures in the financial statements. A municipality with a disclaimed opinion with findings could not provide evidence for most of the amounts and disclosures in the financial statements. No conclusion or expression of an opinion on the credibility of the financial statements could be expressed.
Municipalities with adverse and disclaimed opinions are typically also unable to provide sufficient supporting documentation for the achievements they report in their performance reports and do not comply with key legislation. (MFMA Report 2022).

As mentioned in earlier text, because the biggest ethnic group in South Africa, the Zulus, reside mostly in KwaZulu-Natal and Gauteng, and the second largest ethnic group, reside in the Eastern Cape and the Western Cape provinces respectively, and govern in local and provincial government sectors, the brief “purposely selected” narratives around the financial performance in the auditor-general’s reports (extracts from the AG’s reports), as per the Municipal Finance Management Act, for the periods 2019-2022, for these provinces only, were scrutinized.

<table>
<thead>
<tr>
<th>Province</th>
<th>Auditor- General: Narrative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td><strong>MFMA 2019-2020</strong></td>
</tr>
<tr>
<td></td>
<td>Improvement in outcomes, but this might not be sustainable due to poor control environments. Advice: Improve and focus on controls for sustainable outcomes</td>
</tr>
<tr>
<td></td>
<td><strong>MFMA 2020-2021</strong></td>
</tr>
<tr>
<td></td>
<td>Overall, the audit outcomes in the province regressed over the term of the previous administration. Management did not adequately promote transparency and accountability or safeguard the public purse against all possible abuses. As a result, we notified municipal managers of 27 material irregularities with an estimated financial loss of R254 million to date. Efforts to institutionalise preventative controls have not yielded the desired outcomes.</td>
</tr>
<tr>
<td></td>
<td><strong>MFMA 2021-2022</strong></td>
</tr>
<tr>
<td></td>
<td>In response advice, 58% of municipalities received unqualified opinions, up from 19 (53%) in the previous year. However, the quality of reported performance slightly decreased, with only 15 municipalities (42%) not having any findings, compared to 16 (44%) in the previous year. The number of municipalities that did not have any findings on compliance with legislation remained unchanged at three. There would have been greater improvement in audit outcomes had municipal political leadership acted swiftly to institutionalise the internal controls that are necessary to promote transparency and accountability and to protect the public purse. Since the previous general report, municipal managers were notified of 16 material irregularities with an estimated financial loss of R303 million, bringing the total number of material irregularities issued since the AG’s expanded powers came into effect to 43 and the total estimated financial loss to R633 million. Some municipal managers have responded positively to the material irregularities.</td>
</tr>
<tr>
<td>Gauteng</td>
<td><strong>MFMA 2019-2020</strong></td>
</tr>
<tr>
<td></td>
<td>Despite pockets of improvements, inadequate monitoring of preventative controls resulted in stagnant outcomes and increasing levels of unauthorised, irregular and fruitless and wasteful expenditure. Advice: Improve monitoring of preventative controls</td>
</tr>
<tr>
<td></td>
<td><strong>MFMA 2020-2021</strong></td>
</tr>
<tr>
<td></td>
<td>In 2016-17, we reported on the stagnant audit outcomes in the province, with most municipalities receiving unqualified opinions with findings and only Midvaal securing a clean audit. We previously also highlighted that despite pockets of improvement, inadequate monitoring resulted in stagnant outcomes and increasing levels of unauthorised, irregular, and fruitless and wasteful expenditure. Effective monitoring of preventative controls is key for favourable audit outcomes. Therefore, we emphasised that audittees need to implement sound internal controls and that oversight structures need to hold municipal managers accountable for addressing the stagnant audit outcomes and for implementing consequences promptly.</td>
</tr>
<tr>
<td></td>
<td><strong>MFMA 2021-2022</strong></td>
</tr>
<tr>
<td></td>
<td>Although the tone set by the provincial leadership in restoring Gauteng to clean governance has been positive, it is not yet yielding the desired results. The province is busy implementing previous</td>
</tr>
</tbody>
</table>
commitments, has established a war room to serve as a structured committee to come up with practical solutions on how to improve audit outcomes and governance, and is providing training to supply chain management officials and municipal public accounts committee members. It was found that all municipalities had established audit committees and internal audit structures, the impact of these structures and related processes should be strengthened. The premier, through service-level agreements, has an opportunity to hold the members of the executive council for local government and finance accountable for implementing planned initiatives to improve the effectiveness of local government. The provincial cooperative governance department has an opportunity to comprehensively assess the effectiveness of action plans to address the matters we report in the audit reports and to ensure that the various initiatives intended to improve audit outcomes are implemented. The National Treasury and its provincial counterpart should thoroughly assess municipalities’ budgets and quarterly reports, and, when needed, intervene in time to support municipalities with financial recovery plans and skills. Councils must hold municipal managers accountable for delivering basic services and implementing their budgets. Effective oversight should result in improved financial disciplines and a culture of accountability that will improve overall audit outcomes and service delivery to the people of Gauteng.

KwaZulu-Natal

Stagnation in audit outcomes – effective accountability and consequences not consistently enforced.
Advice: Upscale implementation of preventative controls and drive consistent consequences

MFMA 2020-2021

The audit outcomes reflect a net regression over the term of the previous administration. This was partly due to inadequate leadership action in responding to key risk areas, political infighting and instability in key positions. The lack of enforcement of accountability and consequence management by leadership also persisted amid some improvements in audit outcomes since the previous year.

MFMA 2021-2022

Overall, the province’s audit outcomes have improved since last year, with nine municipalities improving their audit outcomes, while four regressed. The audit of uMkhanyakude District Municipality was not completed because it had submitted its financial statements late. Nquthu and Inkosi Langalibalele both improved from a disclaimed to a qualified audit opinion, thanks to the assistance of financial experts assigned by the provincial cooperative governance department to help develop and implement an action plan to address prior-year audit findings; compile registers for unauthorised, irregular, and fruitless and wasteful expenditure; prepare financial statements; and coordinate the audit process. The provincial treasury’s support in conducting audit readiness and pre-audit assessments, reviewing financial statements and monitoring the implementation of audit action plans also had a positive impact on the audit outcomes.

Notifications for 45 material irregularities with a total estimated financial loss of R553,74 million were issued. Most municipal managers are taking appropriate action to address these, such as improving internal controls to prevent the irregularities from recurring and starting disciplinary processes against responsible officials.

The province’s audit outcomes highlight the need to institutionalise internal controls, rigorous reviews and continuous monitoring to ensure credible and reliable reporting of financial and performance information and to strengthen compliance with legislation. Effective financial management practices, competent personnel and decisive action to address wrongdoing and poor performance are essential to improve service delivery. The councils (including mayors) and their committees should be more robust and persuasive in their quest for good-quality and credible information, conducting investigations where necessary and holding municipal managers and senior managers accountable for failing to fulfil their responsibilities consistently. By putting into place these building blocks of a sound system of internal control, enforcing accountability and planning effectively, local government can address the challenges it faces and improve its credibility and service delivery to the people of KwaZulu-Natal.

Western Cape

MFMA 2019-2020

...
Good financial accounting controls but inadequate preventative controls on compliance. Improvement but concerns remain.

MFMA 2020-2021

Overall, the province continued on an upward trajectory, with a year-on-year improvement in audit outcomes. From 2016-17, the previous administration continued to build on the foundation laid by its predecessors. The firm leadership tone and strong control environment contributed to positive outcomes and the new administration should continue in this vein to sustain the positive outcomes and drive improved service delivery. Audit committees and municipal public accounts committees should continue providing oversight and governance to sustain the improvement, and the province should maintain focus on effective financial management disciplines to support the good financial health at most municipalities.

MFMA 2021-2022

In the previous year, attention paid to firm up the leadership tone and strong control environment that contributed to the positive outcomes in the province. The premier remained positive. His focus was on the communities’ experience in relation to service delivery, which validated the service delivery insights on key projects and additional consideration of selected clean audits for the current year. This year, it was observed that most of the municipal managers and their senior management maintained this tone and continued to implement and maintain good controls through well-capacitated and competent staff. The impact is clear, as 21 of the province’s 30 municipalities obtained a clean audit opinion. These municipalities account for 94% of the province’s R84.50 billion expenditure budget. Nineteen of these 21 municipalities sustained their clean audit opinion from last year, with the Cape Wineland and Overberg districts being the only regions in which all municipalities sustained their clean audit outcomes.

Information for the above was sourced as per the footnote1.

Racial profiles of public sector employees per selected provinces

Searching for information pertaining to ethnic groups working in the public sector, proved difficult. What is available according to the 20th Commission for Employment Equity Report (2019 – 2020) is information pertaining the workforce profile at top management at national, provincial and local government level. The researcher had to surmise the ethnicity of an African male or female for example, based on the province’s employment equity reporting. This may not be scientifically sound in terms of determining an individual’s ethnicity. The lack of information around reporting ethnic groupings, made “judgements” around ethnic leadership difficult.

The following tables show the racial profiles of public sector employees of the selected provinces for the period 2019 to 2022. The aim was to determine the number of African males and females employed at provincial and local government with the view to determine their ethnicity if possible. The latter proved difficult, as being labelled African, does not imply a certain ethnicity because an individual is employed in a particular South African province.

Table 2: The workforce profile at top management level at national, provincial and local government, are as follows:

<table>
<thead>
<tr>
<th>Business type</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>African</td>
<td>Coloured</td>
</tr>
<tr>
<td>National government</td>
<td>50.6%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Provincial government</td>
<td>51.8%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Local government</td>
<td>52.5%</td>
<td>6.4%</td>
</tr>
</tbody>
</table>


1 https://www.agsa.co.za/Reporting/MFMAReports.aspx
   https://mfma-2021.agsareports.co.za/
   https://pmg.org.za/committee-meeting/35215/
Table 3: The Regional/Provincial Economically Active Population (EAP) by Population Group and Gender (2019 – 2020)

<table>
<thead>
<tr>
<th>Province</th>
<th>Gender</th>
<th>African</th>
<th>Coloured</th>
<th>Indian</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>Male</td>
<td>41.5%</td>
<td>6.0%</td>
<td>0.7%</td>
<td>3.1%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>40.3%</td>
<td>5.7%</td>
<td>0.2%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Gauteng</td>
<td>Male</td>
<td>45.1%</td>
<td>1.4%</td>
<td>2.3%</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>36.1%</td>
<td>1.4%</td>
<td>1.1%</td>
<td>5.6%</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>Male</td>
<td>43.5%</td>
<td>0.8%</td>
<td>4.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>42.9%</td>
<td>0.6%</td>
<td>3.4%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Western Cape</td>
<td>Male</td>
<td>20.1%</td>
<td>25.1%</td>
<td>0.5%</td>
<td>8.3%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>18.2%</td>
<td>20.8%</td>
<td>0.2%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>


Table 4: The Regional/Provincial Economically Active Population (EAP) by Population Group and Gender (2021-2022)

<table>
<thead>
<tr>
<th>Province</th>
<th>Gender</th>
<th>African</th>
<th>Coloured</th>
<th>Indian</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>Male</td>
<td>42.6%</td>
<td>6.3%</td>
<td>1.2%</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>39.2%</td>
<td>5.4%</td>
<td>0.2%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Gauteng</td>
<td>Male</td>
<td>46.6%</td>
<td>1.4%</td>
<td>1.3%</td>
<td>6.1%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>37.5%</td>
<td>1.1%</td>
<td>0.7%</td>
<td>5.2%</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>Male</td>
<td>46.2%</td>
<td>0.6%</td>
<td>6.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>40.5%</td>
<td>0.5%</td>
<td>3.6%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Western Cape</td>
<td>Male</td>
<td>20.5%</td>
<td>23.9%</td>
<td>1.1%</td>
<td>10.3%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>15.9%</td>
<td>19.3%</td>
<td>0.4%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>


Discussion and findings

Content analysis was used to make sense of the secondary data presented throughout the study, as explained in earlier text. Whilst explicit research around ethnic identity and corruption or maladministration are carried out in countries such as Nigeria, Kenya, Rwanda and Sub-Saharan Africa for example (See: Arowolo 2022; Isaksson 2015; Parsotee, Seriki and Hoegl 2014; Githongo 2006) research and discussions around the topic, appear “absent” in the South African context, probably because of South Africa’s turbulent history based on racial segregation. Race and ethnicity appear a sensitive topic, hence, investigations on “mismanagement and maladministration” along racial or ethnic lines, may prove politically incorrect or even problematic. The tendency is to steer clear of issues pertaining to race and ethnicity in the context of corruption. Therefore, very little information around ethnic groupings, employed in the public sector, is available. This thus limits the study. Nonetheless, the core objective of this study was to determine what role ethnicity and ethnic leadership play in relation to good governance practices at local government level in general, and selected provinces in particular. Ethnic leadership in South Africa, surmised from the writings of O’Malley (n.d) as mentioned in earlier text, and reiterated here, refers to the representation and leadership of different ethnic groups within the country’s political and social landscape. The aim of the paper was to determine if good governance practices and sound work ethic called for in pertinent policy documents, mentioned in earlier text, were adhered to. The following findings are reported.

Ethical behaviour

The Public Service Commission’s (1997) Code of Conduct for Public Servants act as a guideline around the ethical conduct of public sector employees with a strong focus on professionalism. Chapter 10 of the Constitution calls for a public service which promotes a high standard of professional ethics, the efficient, economic and effective use of resources towards proficient service delivery. The Public Service Regulations of 2016 reminds public servants to put the interest of the public first. However, an interrogation of selected AGSA reports, contradicts the foregoing.
Narrative reports in relation to financial performance

As mentioned in earlier text, audit outcomes are premised on audits performed on the quality of financial statements and performance reports as well as on compliance with key policy documents.

In the Eastern Cape audit reports, from 2019 to 2022, the narrative appears the same, year after year, where terms such as: poor control environments, regression in performance, inadequate promotion of transparency and accountability, lack of preventative controls, unqualified opinions, lack of adequate municipal leadership and material irregularities abound. The majority of the workforce profile in the Eastern Cape for the period 2019 to 2022 are African males and females (See Tables 3 and 4). As mentioned in earlier text, Xhosas have their roots in the Eastern Cape, hence one can surmise that the Africans referred to in the foregoing, are Xhosas. Referring to ethnic leadership and representation in governance structures, Africans in this province, identifying as Xhosas, holds the majority of senior and thus leadership positions.

In Gauteng, for the period 2019 to 2022 the following terms were consistently noted in the audit reports. Inadequate monitoring of preventative controls, stagnant outcomes, increasing levels of unauthorised, irregular and fruitless and wasteful expenditure, unqualified opinions, no results heeded from the provincial leaderships intervention towards achieving a clean audit, lack of financial discipline and accountability. The majority of the workforce in this province for the period 2019 to 2022 are African males and females (See Tables 3 and 4). One can surmise, rightly or wrongly, that the aforementioned Africans are Zulus. Zulus are purported to be rooted in this province, hence ethnic leadership and representation in governance structures, are dominated by Zulus.

In KwaZulu-Natal, for the period 2019 to 2022, the following terms were noted in the audit reports. Regression of four municipalities, material irregularities, financial losses, lack of institutional internal controls, rigorous reviews, lack of monitoring, lack of effective financial management practices, failure to hold municipal managers and senior managers accountable for failure to fulfil their responsibilities. The majority of the workforce in KwaZulu-Natal for the period 2019 to 2022 are African males and females (See Tables 3 and 4). The largest ethnic group in South Africa, as mentioned in earlier text, resides in this province, as well as in Gauteng. Hence, one can deduce that the African population referred to here, are Zulu. As in Gauteng, as per racial statistics, one can surmise that ethnic leadership and representation in governance structures are dominated by this ethnic group.

In Western Cape Province for the period 2019 to 2022, the audit reports revealed the following terms. Good financial accounting controls, inadequate preventative controls on compliance, upward trajectory and improvement in audit outcomes, firm leadership, strong control environment, clean audits, municipal managers and senior managers persist with the maintenance of good controls, well-capacitated and competent staff component. The majority of the workforce for the period 2019 to 2022 the following terms were noted in the audit reports. Inadequate monitoring of preventative controls, stagnant outcomes, increasing levels of unauthorised, irregular and fruitless and wasteful expenditure, unqualified opinions, no results heeded from the provincial leaderships intervention towards achieving a clean audit, lack of financial discipline and accountability. The majority of the workforce in this province for the period 2019 to 2022 are Coloured males and females (See Tables 3 and 4). Africans in this context, the Xhosas, do not form the majority of the workforce in the Western Cape Province. Ethnic leadership and representation in governance structures are held by Coloured people.

Conclusion

Another Code of Conduct for public officials is not the key. Rather, compliance with existing policy documents should be called for. The current Code of Conduct for South African public servants, suffice. Education and training are crucial. Training and development programmes specifically geared towards good governance, offered by the National School of Government, should be tapped into. Having the right person, in the right job, at the right time, not based on ethnicity or race, would be ideal. Consequence management should be at the order of the day. One cannot explicitly say that ethnicity play a role in how municipalities are governed, but the results above show that in Gauteng, KwaZulu-Natal and the Eastern Cape Provinces, where the majority of public servants are Zulu and Xhosa respectively, poor governance practices and inadequate leadership prevailed as evidenced through the selected Auditor-General reports. Potential reasons behind poor governance practices, aside from ethnicity may be attributed to inadequate capacity, resource constraints, historical legacy and political interference to name but a few. Policy implications for municipal leadership could take the form of streamlining municipal structures, depoliticising of appointments, enforcing anti-corruption measures and strengthen accountability by setting clear key performance indicators. Further research is called for to determine what ethnic leadership in the South African public sector context entails. Disruption, which implies a different way of doing business, is much needed in the way South African municipalities are governed and how public services are delivered.

Acknowledgement

All authors have read and agreed to the published version of the manuscript. 

Author Contributions: Conceptualisation; methodology, validation, formal analysis, investigation, resources, writing—original draft preparation, writing—review and editing - Rozenda Hendrickse

Informed Consent Statement: Desk study/No informed consent required

Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are publicly available.

Conflicts of Interest: The author declares no conflict of interest.
References


O’Malley, P. n.d. Ethnicity and ethnic leadership in perspective. Available at: https://www.agsa.co.za/AboutUs/OurVision.aspx#:~:text=To%20be%20recognised%20by%20all,that%20enhances%20public%20sector%20accountability. (Accessed on 3 July 2023)


O’Malley, P. n.d. Ethnicity and ethnic leadership in perspective. Available at: https://www.agsa.co.za/AboutUs/OurVision.aspx#:~:text=To%20be%20recognised%20by%20all,that%20enhances%20public%20sector%20accountability. (Accessed on 3 July 2023)


O’Malley, P. n.d. Ethnicity and ethnic leadership in perspective. Available at: https://www.agsa.co.za/AboutUs/OurVision.aspx#:~:text=To%20be%20recognised%20by%20all,that%20enhances%20public%20sector%20accountability. (Accessed on 3 July 2023)


Publisher’s Note: SSBFNET stays neutral with regard to jurisdictional claims in published maps and institutional affiliations.

© 2023 by the authors. Licensee SSBFNET, Istanbul, Turkey. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (http://creativecommons.org/licenses/by/4.0/).

International Journal of Research in Business and Social Science (2147-4478) by SSBFNET is licensed under a Creative Commons Attribution 4.0 International License.