

# MUNICIPAL ENTREPRENEURSHIP: AN ALTERNATIVE STRATEGY TO PROMOTE, IMPROVE AND SUSTAIN SERVICE DELIVERY IN LOCAL GOVERNMENTS IN SOUTH AFRICA

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## Abstract

Three hypotheses justify service delivery crisis in South Africa. Post-apartheid laws and strategies don't enable service delivery in local governments. Secondly, there is detachment between laws and strategies and leadership for their implementation. The government does not also promote entrepreneurship in local governments preventing innovation, creativity and competitiveness thus hindering service delivery. This paper supports municipal entrepreneurship as an ideal strategy to facilitate service delivery in local governments through three main considerations. Firstly, laws and strategies developed to facilitate service delivery should be implemented by competent municipal entrepreneurs. Innovation, creativity and competitiveness should be emphasised as the golden rule in managing local governments. Importantly, Citizen Charters should complement municipal entrepreneurship to facilitate standardised service delivery systems that meet people's expectations.

**Keywords:** Entrepreneur, Entrepreneurship, Local government, Service delivery, South Africa

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## 1 Introduction

The post-apartheid Freedom Charter's principles of "People shall share in the country's wealth" and the ANC's motto "Better life for all" have not happened for most South Africans as the service delivery crisis deepens day-by-day. However, Chapter 7 of the Constitution of the Republic of South Africa is clear about the mandate and roles of local governments with regards to service delivery. Local governments are autonomous to regulate their local affairs. Their key mandate is to provide primary services essential to restoring human dignity of all and to combat and alleviate poverty.

This key mandate is far from reality considering the current service delivery chaos in South. Attempts to achieve effective and efficient service delivery through laws and strategies such as the "Batho Pele" (People First) Principles; the Service Charter, the Service Standards documents and the Service Delivery Improvement Plans have failed in most local governments resulting in protests in recent years. It is thus critical to question why these laws and strategies are not achieving service delivery.

If these laws and strategies are appropriate, two major elements need attention: the municipal public servants implementing such laws and strategies and their leadership structures. In his book "Good to Great", Collins (2001) underlines that right people and humble leadership are key to the success of

organisations. For him "Great vision without great people is irrelevant". He emphasises the necessity of entrepreneur leadership and argues that it stimulates service excellence in organisations. The Association for Public Service Excellence<sup>1</sup> (APSE, 2012: 7), corroborates Collins's view and emphasises that: "individuals matter in the processes of entrepreneurship is hard to dispute".

Municipal entrepreneurship has been discussed as earlier as 1956 through the "Tiebout Model". The model asserts that local governments compete with each in order to convey more taxpayers into their jurisdiction by offering packages of local public goods at competitive tax-prices (Iaione, 2007). Entrepreneurship is crucial in maintaining local governments in business as they compete with each other and with business companies that provide some crucial public goods and services. The essence of the "Tiebout Model" is currently being applied in many developed countries. For instance, APSE (2012: 5) justifies, from experience in local governments in the United Kingdom that commercial skills and business acumen are not unique to any one sector and as long as the correct culture is created and environment established then there is no reason why a new generation of municipal entrepreneurs can't continue to thrive. Unfortunately, South Africa is not an entrepreneurial country. Beside not having an

<sup>1</sup> APSE is a not-for-profit local government body in the United Kingdom.

indication of the promotion and progress of public sector entrepreneurship, in 2010 it ranked 27<sup>th</sup> out of 59 countries, with a Total Entrepreneurial Activity (TEA) rate of 8.9% being below the average of 11.9% (Herrington, Kew and Kew, 2010). The failure of the service delivery laws and strategies and the lethargy of South Africa to stimulate public sector entrepreneurship prompt adopting municipal entrepreneurship as an alternative strategy to promote, improve and sustain service delivery.

Entrepreneurship in local governments is not easy for two reasons. Firstly, entrepreneurship is a limited, yet emerging research topic. Secondly, public management is also a research area where much still has to be explored including public sector entrepreneurship research. Thirdly, most research on entrepreneurship in South Africa does not consider public sector and municipal entrepreneurship as a priority. Consequently, researching on public sector and municipal entrepreneurship remains predominant.

The paper uses both entrepreneurship and public management research methods through literature review and document review to justify the importance of municipal entrepreneurship in promoting, improving and sustaining service delivery. The paper has six sections. The first section introduces the paper and summarises its content. The second section presents an extract of the research methodology. The third section reviews different documents related to service delivery in South Africa and summarises the literature on entrepreneurship in support to the paper's proposition on municipal entrepreneurship. The fourth section concentrates on the possibilities of and how entrepreneurship can be introduced and managed to facilitate effective and efficient service delivery in local governments based on the lessons from the literature. Section five proposes the streamlining of laws and strategies on service delivery and the development of Citizen Charters for effective and efficient service delivery in local governments. The last section highlights key contents to conclude the paper.

## 2 Document and literature review

Three main phases reflect the debates on the perspectives and methods of public management on entrepreneurship in this paper. The first phase is to analyse local governments with regards to service delivery and entrepreneurship. The laws and strategies on service delivery improvement are analysed in this phase. The second phase is to review the Global Entrepreneurship Monitor (GEM) on the level of entrepreneurship in South Africa. The third phase consists of discussing how to introduce entrepreneurship in local governments and review its impact on effective and efficient service delivery.

### 2.1 Understanding service delivery system in local governments in South Africa

Service remains a distress in South Africa resulting in public protests some of which violent incurring casualties, yet various laws place the onus of service delivery on local governments (PWC and IoDSA, 2010)<sup>2</sup> and strategies exist to facilitate effective and efficient service delivery in local governments. Such laws and strategies although ineffective, are analysed and summarised below.

### 2.2 Service delivery roles and duties of local governments

The Constitution of the Republic of South Africa (Act 108 of 1996); the Municipal Systems Act (Act 32 of 2000); the Municipal Structures Act (Act 117 of 1998) and the Municipal Finance Management Act (Act 56 of 2003) are principal laws that clarify and describe the service delivery mandate, role and duties of local governments. The essence and objectives of local governments is to deliver services to the communities, thus enabling social and economic growth according to PWC and IoDSA (2010:2).

The Constitution (Chapter 7, Sections 151 to 153) fixes the status, the objects and the developmental duties of local governments (local governments). The important status of a local government is its autonomy including the right to govern, on its own initiative, the affairs of its community. The objects of a local government include ensuring the provision of services to communities in a sustainable manner; promoting social and economic development; and promoting a safe and healthy environment. The developmental duties of a local government are to structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

The Municipal Systems Act enables local governments to establish a simple framework for core processes of planning, performance management, resource mobilisation and organisational change underpinning the notion of developmental local government. It also provides for legal matters pertaining to local governments (PWC and IoDSA (2010).

The Municipal Structures Act and the Municipal Finance Management Act establish frameworks and legislation to regulate the internal systems and structures as well as to secure sound and sustainable management of the financial affairs of local governments (PWC and IoDSA, 2010).

Providing details on these laws is not the focus of this paper. However, this summary justifies the

<sup>2</sup> PriceWaterhouseCoopers and Institute of Directors in Southern Africa

indisputable role of local governments to deliver services that promote social and economic development of the communities; to redistribute the wealth to all citizens and to alleviate poverty. The summary also proves the availability of an arsenal of laws meant to facilitate effective and efficient service delivery though it is sad that the intended outcomes are still due. It seems that various strategies were developed with the intention to boost existing laws and therefore effect service delivery at all levels.

### **2.3 Strategies to facilitate effective and efficient service delivery**

The “Batho Pele” Principle, the Service Charter, the Service Standards and the Service Delivery Improvement Plans are some of the strategies developed and implemented by the South African Government to facilitate service delivery.

The Batho Pele” or “People First” strategy is the outcome of the 1997 White Paper on Transforming Public Service Delivery. For Ayeni (2001: 42), Service delivery is a “buzzword” in South Africa and is epitomised in 8 principles of “Batho Pele” strategy. The “Batho Pele” principles were meant to simplify and promote relationships between public servants and the people they serve in order to facilitate service delivery. The strategy maintains that, to be effective, the government must be able to provide basic goods and services to the people by promoting public participation. This strategy has not yet facilitated service delivery in local governments in South Africa.

The Service Charter is an agreement between the State and public servants setting out the roles and responsibilities to improve performance and fast track service delivery. It enables service beneficiaries to understand their expectations from the government and forms the basis of engagement between the government and citizens. The Service Charter developed in 2013 by the Public Service Coordinating Bargaining Council (PSCBC) representing the government as employer and public servants acknowledged the service delivery challenges in the public service. It is intended to facilitate effective and efficient service delivery as a constitutional obligation of the government. Out of its 11 objectives the following are outstanding: to improve service delivery; to reinforce the commitment to service delivery improvement to benefit the people; to professionalise and encourage excellence in the public service; and to ensure an effective, efficient and responsive public service. The Service Charter defines the services offered by the government; outlines the standards underpinning those services; registers the commitments by the government as employer towards public servants; and specifies commitments by public servants towards citizens. This strategy is being implemented, yet service delivery calamity persists.

A Service Standards document is a framework of service standards that enables public servants and

service beneficiaries to know and understand expected service levels, the time it takes for such service to be delivered, its quality and the quantity dimensions. This is an additional strategy that does also not seem to resolve the service delivery impasse.

There are still many more strategies that have unfortunately solve the service delivery problem in South Africa. For instance, the Service Delivery Improvement Plans system (SDIP) introduced consequent to chapter 1, Part III C o the Public Service Regulations of 1999 (as amended) requires executive authorities to establish and sustain a service delivery improvement programme which should include a Service Delivery Charter. The purpose of the SDIP is to revive the “Batho Pele” principles and to promote effective and efficient service delivery. Or, the “Batho Pele” strategy is one of those good to have slogans that have not effected change in the service delivery machinery.

With the laws and strategies summarised above, local governments still fail to deliver effective and efficient services to South Africans. PWC and IoDSA (2010: 2) argue that the role of local government leadership and the responsibility placed upon them necessitates ethical values of responsibility, accountability, fairness and transparency as underpinning governance principles. This paper observes that the above government principles have not existed or been sufficient to resolve the service delivery impasse in South African local governments. For such reason, a devoted entrepreneurial leadership in local governments, a single Citizen Charter as proposed by the World Bank for instance or the alteration of the current South African Service Charter and/or Service Standards document can promote, improve and sustain service delivery in local governments.

### **2.4 State of public sector entrepreneurship in South Africa**

It is early if not impossible to evaluate the state of public sector entrepreneurship in South Africa as it has not yet been on the government’s agenda. Similarly, the government focusses on promoting and supporting small and medium business entrepreneurs not in creating public sector entrepreneurs to incite and manage innovation, creativity and competitiveness in the government structures thus promoting, improving and sustaining service delivery. The current indicators of entrepreneurship called Global Entrepreneurship Monitor (GEM) provides an analysis of entrepreneurship attitudes, perceptions, activities and intentions based on annual country surveys of a representative sample of at least 2000 people aged between 18 and 64 years (GEM South Africa Report, 2014: 51). According to this report, South Africa has one of the lowest levels of TEA in all sub-Saharan Africa. It also has one of the lowest levels of both perceived entrepreneurship

opportunities and perceived capabilities. The report is unspecific on entrepreneurship in government. However, the level being low means it could not be otherwise in government.

The “Entrepreneurial Dialogues” by “Endeavor South Africa”<sup>3</sup> with the collaboration of First National Bank and the Gordon Institute of Business Science, provide a State of Entrepreneurship in South Africa omitting entrepreneurship in government as does the GEM. The “Entrepreneurial Dialogues” and GEM provide both business-oriented indicators on entrepreneurship assuming that only business entrepreneurship can promote economic and social development of South Africa.

The lack of public sector entrepreneurship initiatives prompts this paper to question the seriousness of the South African government in prioritising entrepreneurship if it does not promote public sector entrepreneurship to further service delivery. Is it not ironic that the government pretends to prioritise business-led entrepreneurship for job creation and socio-economic development when the government itself is dysfunctional on service delivery? Government needs entrepreneurship as much as the business sector does. This paper emphasises the views of Svava (2013: 193) that to improve productivity, better serve and more fully engage a challenging citizenry, local governments have the option of becoming more innovative. The author understands innovation as a new practice or alteration of existing practices with the intention of producing positive results. There is virtually no guidance for how to promote innovation argues the author. However, the author proposes some important questions to be answered when thinking of introducing innovation and subsequently entrepreneurship in local governments: 1) how should governments organise staff to develop or identify new approaches? 2) what role should the leader play to stimulate innovation? 3) how do organisations broaden the participation of staff in generating and supporting new ideas?

An analysis of these three questions results in an uneven process when service delivery laws and strategies were initiated in South Africa. Firstly, these laws did not consider the full participation of public servants and the population at local government level. Certainly, a top-down approach was used; the laws and strategies being developed at national and provincial levels and imposed down to local governments. Secondly, there was no consideration of leadership in implementing the laws and strategies to facilitate service delivery. Lastly, participation and ownership of such laws and strategies by all local public servants should have been prioritised in order to effect change.

<sup>3</sup> Endeavor South Africa ([www.endeavor.co.za](http://www.endeavor.co.za)) is a global non-profit organisation dedicated to supporting entrepreneurs in growth markets to become global leaders through providing access to talent, investors, partners and markets.

## **2.5 Best practices on municipal entrepreneurship**

South Africa has no repertoire of best practices on public sector entrepreneurship especially in local governments. Elsewhere, public entities have embarked on entrepreneurship ventures considered as best practices in this paper. For Radnord, Noke and Johnston (2013), searching for alternatives to facilitate efficacy in serving the citizenry has been the priority of public sector reforms. Many authors label such alternatives as “public sector entrepreneurship”, meaning implementing creativity, opportunity-seeking and innovation in the public sector.

The following case study of Cranleigh Metropolitan Borough Council (CMBC) illustrates an entrepreneurship venture in a local government. In fact, Antonio Smyth implemented the Cranleigh Centre Plus (CC Plus) as part of a radical Service Transformation programme for the CMBC (Radnord et al., 2013: 164). Antonio was responsible for the Customer Access To Services (CATS) team tasked with facilitating the transfer of services from various directorates into planned customer call centre using a business process review approach of identifying, mapping, understanding and implementing improved services. Antonio as a municipal entrepreneur relied on a legitimacy conferred by the executive authority of the local borough. Legitimacy was also sought through the involvement of the Warwick Business School and the sharing and learning from other local governments. The tenacity, drive and clarity of purpose from some individuals interested in the programme provided Antonio with support. CC Plus did not however reach its original aim and Antonio, due to his drive, focus and ultimately his belief in the programme, became the scapegoat for such failure.

The CC Plus case still supports the fact that entrepreneurship is possible in local governments. In the case of the CMBC, Antonio could be successful if key aspects such as leadership, staff engagement and perception of change were cautiously considered. New initiatives on public sector or municipal entrepreneurship can therefore learn from this experience.

Although Antonio had the higher-level buy-in in legitimacy, he lacked constant and sustainable political and managerial support. For Radnord et al. (2013: 169), the lack of corporate leadership, commitment and governance impact on the support and encouragement needed to effect the success of CC Plus. Other management layers of CMBC were not brought in as leaders mainly the heads of the directorates providing services to citizens. Issues such as budget and resources allocation were impeded by the lack of leadership making some directorates to consider the project as not important. In-fight within the senior management team and the political leadership also contributed to the failure of CC Plus.

Staff engagement was poor because the changes envisioned were not linked to the job satisfaction and motivation of the staff involved in the project. The CMBC did not engage with staff to identify and build their capacity. The lack of training jeopardised the success of the project according to the authors. The staff did not internalise the aim of the project and were not committed to it but focussed on “What’s in it for me?” rather than ‘What’s in it for the customer?’. The perception of change was negatively affected by the leadership and staff engagement hiccups. In many directorates there was no need for change as CMBC seemed to be a well-performing borough. The authors refer to the paradox of “embedded agency” whereby individuals within the organisation perceive it to be well run and do not see the need for change (Radnord et al., 2013: 170).

Entrepreneurs whether in the business or the public sector, need a certain extent of on-going sustainable power to motivate change through innovation. Buy-in from the political leaders and all management structures is then necessary to guarantee the success of entrepreneurship. Radnord et al. (2013: 172) stress that the role of the entrepreneur within the public sector needs to be defined and supported differently. Redefining and adapting entrepreneurship according to the realities of each concerned local government is therefore a necessity.

### 3 Methodology

Introducing entrepreneurship in local government needs to be based on a dedicated research. Yet, those who have conducted research in entrepreneurship warn that it is fascinating because of its richness leading to frustration because of the lack of understanding on what precisely entrepreneurship is (Davidsson, 2004). This means that entrepreneurship is everything and nothing one might think of, thus a confusing area of research. This paper is based on the delineation of entrepreneurship in order to focus entrepreneurship research on behaviour in the process of emergence (Davidsson, 2004: 18-22). The author proposes a three-phase process of emergence of new venture: to study the characteristic of the entity; to analyse the new venture within or associated with that entity; and to plan the outcomes of that entity on different levels (Davidsson, 2004: 61). These phases justify the introducing and managing entrepreneurship in local governments. The first step analyses the features of local governments stressing the laws and strategies implemented to expedite service delivery. The second step is the analysis of how entrepreneurship as a new venture can be introduced in local governments. The third step discusses the impact of entrepreneurship in promoting, improving and sustaining service delivery in local governments.

Steyaert and Hjorth (2003) argue that entrepreneurship research is explorative with the characteristic of uniqueness including using various

innovative perspectives and methods imported from different fields. This paper focusses on public management perspectives and methods although aware that an over-emphasis on creativity for entrepreneurship research has led to a serious devaluation of replication and subsequent consensus (Steyaert and Hjorth, 2003: 27). For this reason the paper concedes that although municipal entrepreneurship should incite innovation, creativity and competitiveness thus facilitating service delivery, replication in all local governments is not always guaranteed. Other management strategies should therefore be considered in order to allow entrepreneurship to thrive in local governments.

## 4 Results

### 4.1 Municipal entrepreneurship for service delivery

Defining “municipal entrepreneurship” is as hard as finding a universal definition of “entrepreneurship”. Rather than dwelling into an inventory of explanations of these concepts, this paper concentrates on theoretical explanations justifying the introduction and management of entrepreneurship for service excellence in local governments, its primary purpose. Introducing a successful entrepreneurship in local governments is an ambitious yet important step toward maximising service delivery. However, public organisations are understudied vis-à-vis strategic entrepreneurship literature (Klein, Mahoney, McGahan and Pitelis, 2013). Similarly, contemporary research has not addressed the manner of introducing entrepreneurship into the public sector despite its emergence as a ‘leading force of public management reform’ (Koch, 1996:34) cited by Sadler (2000).

#### 4.1.1 What is municipal entrepreneurship?

Cohen and Kietzmann (2014: 11) provide a list of prominent business entrepreneurs who were lured into and succeed in managing local governments in the United States. They refer to such individuals as bureaucratic entrepreneurs and define municipal entrepreneurs as: “Administrators who, like other entrepreneurs, actively engage in the act of “creative discovery” to help propel dynamic policy change to cultivate innovation within their municipality”.

In the same way corporate entrepreneurs relate to entrepreneurship within a corporation; municipal entrepreneurs relate to entrepreneurship within a local government. They focus on applying entrepreneurial frameworks of opportunity creation and maximisation in a local government. Cohen and Kietzmann (2014: 11) view municipal entrepreneurship as: “A scholarly field which seeks to understand the degree to which local governments and their leaders shape the discovery, creation, exploration, exploitation and diffusion of new opportunities and with what economic, social and environmental consequences”.

The two above definitions are adopted by this paper as they respond to its purpose. They justify the role of an entrepreneur in generating and managing new opportunities enhancing productivity within the local government. For Cohen and Kietzmann (2014: 12), the relevance of these two definitions lies in three reasons. Firstly, they focus on local governments and their leaders allowing both the analysis of structure and policy and including the influence individuals or municipal entrepreneurs can have on governance and policy creation. Secondly, these definitions justify and support the management, innovation and entrepreneurship literature by exploring how local governments can serve as a major source of discovery, creation, exploration, exploitation and diffusion of new opportunities for goods and services production. Thirdly, these definitions focus on the impact of municipal actions on innovation in terms of economic, social and environmental consequences.

In addition to the above definition, Navale (2013: 2) considers an innovative entrepreneur as someone who introduces new goods or new methods of production or discover new markets or reorganises the enterprise. Entrepreneurial attitude therefore means taking risks and visualising opportunities. The entrepreneur is therefore a change agent, an important figure in the process of industrial growth and socio-economic development.

#### **4.1.2 Nature of municipal entrepreneurship**

Although, public sector entrepreneurship capabilities have not been researched comprehensively, some features are worthy to be attached to successful municipal entrepreneurship ventures. Nandan (2007) emphasises maximising the features of entrepreneurship for its success.

By nature, governmental entities control resources such as land, buildings and budgets. They also have the capabilities to govern, administer, and transform these resources (Klein, et al., 2013). Such capabilities can facilitate a successful entrepreneurship in local governments. For Ghina (2012: 29), risk taking in the context of public service is related to making decision, resolving problems and implementing ideas or doing service innovation toward society. The performance of the public sector refers to the creation of key conducive conditions in the sense of how the society is served by the local governments in meeting their needs. Municipal entrepreneurship facilitates such task. For Klein, et al. (2013) municipal entrepreneurship is a skill that can be thought to local government managers to facilitate their daily running of public business. Nandan (2007) emphasises the need for a formal education and training for public officials to gain entrepreneurial competencies.

#### **4.1.3 Types of municipal entrepreneurs**

APSE (2012; 8) classifies municipal entrepreneurs in four important types. The first type is that of “catalysts” who drive forward the organisational

change within the local government. Catalysts are mostly the municipal chief executives, senior managers and operational managers. The second type is that of stewards composed of elected members, senior management teams, and area managers and community action officers. The third type is formed by mediators. They are operational managers and elected members fulfilling primary roles as mediators of local conflicts. APSE believes that transformational project managers and senior directors assume the three functions of catalyst, steward and mediator. The fourth type is the addition to stewardship in the sense that such entrepreneurs ensure that service delivery outcomes are met. This type is referred to as ‘deliverer’. Deliverers are central to the success of municipal entrepreneurship.

#### **4.1.4 Dimensions of innovation through municipal entrepreneurship**

There is increasing interest in the role that innovation and entrepreneurship can play in delivering high quality public services. Public sector entrepreneurship and innovation are increasingly portrayed as a panacea for public managers, one which can deliver the renewed demand for efficiencies and transformation in the shifting politics of austerity and public spending reductions. Indeed APSE has identified that an increasing number of local authorities are looking at how to make services more commercially viable by either reducing costs or generating additional revenue to offset budget cuts.

Local authorities have often been criticised for their failure to innovate, widely condemned as lacking the entrepreneurship that can be found in the private and voluntary sectors. This paper challenges these preconceptions by demonstrating that entrepreneurship and innovative practices are being championed in local governments. Local governments do pursue innovative changes to service delivery; they can and do take considered risks and invest in entrepreneurial activities.

#### **4.1.4 Requirements for municipal entrepreneurship**

Introducing entrepreneurship in the public sector is not an easy task considering the scarcity of research and recorded best practices. The replication of successful cases is also not guaranteed as the realities of public sector entities and local governments in this case differ. However, Masao (2004: 201) suggests ten requirements that are propitious to a successful entrepreneurship. These requirements were used to turn around a struggling enterprise in Japan. It is certain that, if applied by municipal entrepreneurs, the combination of these requirements can facilitate service delivery.

Public-private-partnership is also a key requirement in promoting entrepreneurship in local governments. For Klein, et al. (2013) public organisations can act entrepreneurially by creating or leveraging bundles of capabilities, which may then shape subsequent entrepreneurial action.

**Table 1.** Requirements for a business leader

<i>Requirements</i>		<i>Summary</i>
1	Logical Thinking	Planning, making predictions about the future, determine goals, sets wheels in motion. Not thinking emotionally. Explain things effectively to others.
2	Reading the trend of the times	Being influenced by the wind of social change, reach with way the wind is blowing. Consider the past, the present and the future carefully. Look beyond own industry.
3	Strategic Thinking	Use strategies (long-range plans) and tactics (how to defeat competition) in managing, prioritise and communicate to all in the enterprise.
4	Proactive Management	Proactive stance, defensive management, to be exposed to increasingly intense competition. Creation and management of the demand.
5	Self-Reliant Spirit, Independent from the Bureaucracy	Bureaucracy may become an obstacle to success, especially exercise of power by civil servants. This can be a big problem for entrepreneurs in the civil services themselves.
6	Don't Depend on Politicians – Self-Help is the only answer	Depending on politicians leads to corruption. Rather establish good relationships, use available laws and general public participation.
7	Good Media Relations	Positive link and relations with the media and use mass media.
8	A Cheerful Personality	Positive thinking, avoid introversion and anti-social personality.
9	Paying Your Own Way	To reward own achievement as well as other workers.
10	High Ethical Standards	Being a person of character with high ethical standards.

Source: Adapted from Masao (2004: 201-214)

Such processes can involve complex interactions among public and private actors. For example, public entities often partner with private firms to produce existing products, create new products, and establish new markets which, in turn, generate new capabilities for public and private actors.

Municipal entrepreneurship is an exercise of mind change that can be achieved by observing the above requirements in the quest for success. Municipal entrepreneurs are therefore public executives to be groomed in business-led management strategies (Zoghlin, 1991).

#### **4.1.5 Conditions for a successful municipal entrepreneurship**

This paper agrees that the conditions suggested by APSE (2012: 8-9) can facilitate the success of municipal entrepreneurship in South Africa. Firstly, municipal entrepreneurs need to “think collaboratively”. Collaboration brings in new ideas and can challenge existing practices whilst mobilising new resources. Local authorities as “Ensuring Councils”, are ideally placed to undertake and facilitate new forms of collaborative working argues APSE.

“Making the most of the entrepreneur’s windows of opportunity” is the second condition. The findings of APSE case studies suggest that the moments of organisational crisis can be used as windows of opportunity to introduce new programmes and solutions. Challenging political and economic contexts played a key role to legitimise support for change APSE cases. The current service delivery crisis in South Africa can serve as an opportunity to improve municipal entrepreneurship.

Taping into strategically placed policy entrepreneurs or champions is another condition.

APSE assumes that local officers and elected members should identify individuals who might fulfil the roles of catalyst, stewards, mediators and deliverers. Sufficient support for such individuals to emerge across organisations is therefore critical.

Finally, innovation and change contribute to a successful municipal entrepreneurship. APSE notes that where entrepreneurship and innovation developed over time, staff members were commercially focused. They also worked within an overall framework of income generation which was combined with a not-for-profit ethos delivering improved local services.

If carefully considered in the management of local governments, these conditions can facilitate municipal entrepreneurship. However, for South Africa, the various laws and strategies on service delivery need to be streamlined and exploited by committed teams of municipal entrepreneurs. The Citizen Charter approach promoted by the World Bank is a simple tool that can assist municipal entrepreneurs to involve user communities in the quest for effective and efficient service delivery. The Citizen Charter is explained in the following section.

#### **4.2 Citizen (service delivery) Charter**

One of the key hypotheses of this paper is that, although the laws and strategies developed to facilitate effective and efficient service delivery were important, the focus on the leaders to implement them lacked, contributing to their ineffectiveness. Good laws, strategies and vision can only be effective if there are good managers or leaders to implement them. Since there are laws and strategies that exist on facilitating service delivery and that municipal entrepreneurship is considered possible, an emphasis on municipal entrepreneurs using such laws and strategies prevails.

Streamlining the various laws and strategies on service delivery is not the focus of this paper. However, providing a simple yet strong tool to assist municipal entrepreneurs in their duties of effecting service delivery is critical. The Citizen Charters (CCs) approach is presented by the World Bank as an approach that enhances service delivery through accountability.

The World Bank believes that Citizen Charters (CCs) are public agreements between citizens and service delivery providers that clearly codify expectations and standards in the realm of service delivery. The CCs were first introduced by the United Kingdom in the early 1990s. They are now being used in various countries such as the United States, Kenya, India, Jamaica and Mexico to improve the quality of service delivery and enhance public sector management. If designed and implemented correctly, CCs have the potential not only to foster greater public satisfaction with a government's performance, but also to ameliorate corruption-related risks and provide benchmarks that stakeholders can use to monitor government's performance in the realm of service delivery. The CCs are tools that can assist municipal entrepreneurs in their daily duty of providing public goods and services. They can, according to the World Bank:

- Enhance accountability by providing citizens with a clear understanding of service delivery standards, including timetables, user fees for services, and options for grievance.
- Increase organisational effectiveness and performance by making a public commitment to adhere to measurable service delivery standards.
- Create a way for internal and external actors to monitor service delivery performance.
- Create a more professional and client-responsive environment for service delivery.
- Foster improvements in staff morale.

The World Bank suggests both some critical considerations to be taken seriously by those

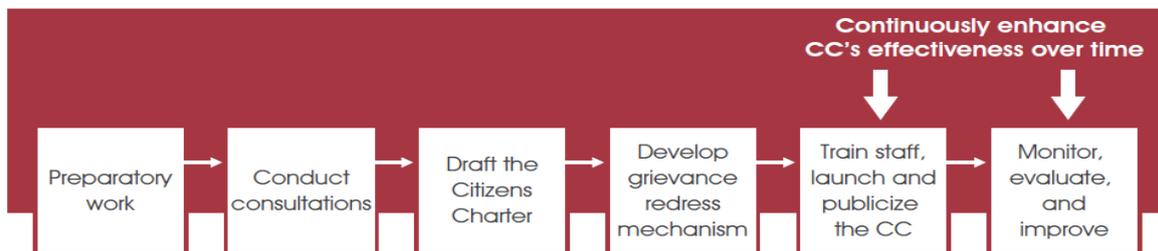
implementing the CCs and a process in the design process that must emphasise on consultation and participation. This is where this paper considers that all laws and strategies on service delivery failed in South Africa because they did not rely on a strong leadership (municipal entrepreneurship in this case) and at the same time the design process did not prioritise consultation and participation. The paper suggests that a new process should be initiated by local local governments to streamline and adapt the current laws and strategies on service delivery. CCs should then be developed by hired and trained capable municipal entrepreneurs who will focus on consultation and participation as suggested by the World Bank's Citizen Charters approach.

The key considerations for successful CCs by the World Bank are:

- There is strong management support for the CC initiative, especially during the start-up phase. Such management is the municipal entrepreneurship proposed by this paper.
- The CC is developed with inputs from internal and external stakeholders through participation of the beneficiary community via their different local representations.
- Staff members have an incentive to adhere to the conditions outlined in the CC, because their performance appraisal reviews and/or additional compensation are tied to the organisation's success in achieving the service delivery targets outlined in the charter.
- Employees and citizens are aware of the CC and civil society is involved in holding service providers accountable. This has not been the case in South Africa and should be promoted.

The simple design process proposed by the World Bank is easy to be implemented by any local government. The six steps bellow need to be developed under the leadership of each local government and not imposed by provincial or national structures.

**Figure 1.** Steps for designing and implementing a Citizen Charter



Source: Post and Agarwal (2012: 3)

If designed following the above process, it is expected that the Citizen Charter will promote, improve and sustain delivery as it has been the case in the countries cited earlier on. The following example

of a Citizen Charter shows some of the key components that clarify services to be provided and the expectation from the beneficiary community.

**Figure 2.** Sample of a Citizen Charter

<p><b>Local government of:</b> _____  <b>Department:</b> _____</p>
<p><b>1. Vision Statement</b> (The purpose of this Citizen Charter is to): _____          _____</p>
<p><b>2. Services delivered by the Department</b>          We deliver the following services:          _____          _____          _____</p>
<p><b>3. Aim</b> (Our aim is to achieve the following service delivery/quality parameters):          Nature of service: _____ Service delivery standards: _____          _____          _____</p> <p>Time limit: _____ days _____ hours _____ minutes. Remarks: _____</p>
<p><b>4. Availability of information</b> (Information on the following subjects can be obtained from:          Service: _____          Name of the officer: _____ Title: _____ Location/address: _____          Telephone: _____ Fax: _____ E-mail: _____</p>
<p><b>5. Availability of forms</b>          Title of the form: _____ Fee to be paid: _____          Payment contact: _____          Forms can also be downloaded from the worldwide web at _____ (where applicable).</p>
<p><b>6. Grievance redress</b> (All staff will extend courteous and helpful service. If you have any grievances with respect to the delivery of the above standards please register your grievances with the following officer):          _____ Title: _____ Address: _____          Telephone: _____ Fax: _____ E-mail: _____</p> <p>We have also created a website for registering grievances at, and you are welcome to use this facility. We will acknowledge all grievances within _____ days and will communicate a final reply on the action taken within _____ days.</p>
<p><b>7. Consultation with our users/stakeholders</b> (We welcome suggestions from our users).          We conduct _____ polls. We hold periodic _____ meetings with users/user representatives. If you wish to be associated with this, please contact _____ at _____          Please also enter your details at our website, indicating your willingness to be available for consultation or survey on the points listed in the Charter.</p>
<p><b>8. Cooperation</b> (The Citizen Charter is a joint effort between us and you to improve the quality of service we provide. We request you to help us in the following way (give details relevant to the departments concerned):          _____</p>
<p><b>9. Handbook/Consumer Helpline</b> (We have published a Handbook to guide our customers).          Please contact Officer _____ for more details. Helpline number is: _____          Address of Customer Information Centre: _____ Phone no: _____          Other information: _____</p>
<p>We are committed to constantly revise and improve the services being offered under the Charter.</p> <p style="text-align: center;"><b>Let us Join Hands in Making this Charter a Success!</b></p>

Source: Adapted from: Post and Agarwal (2012: 16 – 17)

## 5 Conclusion

The relationship between the prosperity of local communities and entrepreneurship seems to be obvious according to Skica, Bem, and Daszyńska-Żygadło (2013). They observe that stimulating entrepreneurship has become an interest of public administrations, validating the original concern of Tiebout and his cutting-edge model as advocated by Iaione (2007).

The analysis of the service delivery chaos in South Africa resulted in two major observations. Firstly, no matter the multitude of laws and strategies on service delivery, local governments remain incapable of delivering effective and efficient goods and services to the population. Amongst the reasons for this failure the paper considered that the initiation of such policies did not consider the participation of local public servants as well as the population. The second observation is that innovation, creativity and competitiveness do not exist in the running of service delivery mechanism of South Africa. This observation means that the government does not prioritise and promote entrepreneurship in the public sector.

The literature and documents reviews supported that entrepreneurship is possible in local governments, thus the motivation of the paper in suggesting municipal entrepreneurship as an ideal alternative strategy to promote, improve and sustain service delivery in South Africa. Another key consideration of the paper was to streamline the laws and strategies into a simple Citizen Service Delivery Charter (or Citizen Charter) as promoted by the World Bank. The paper adapted a process for developing Citizen Charters through a participatory process and a template that could be used by different services or departments of a local government.

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