

An assessment of the performance of coalition-led municipalities

Executive Summary

The functioning of municipalities in the provision of basic infrastructure and services is determined by the functionality of municipal councils; hence, the constitution and composition of municipal councils are very important. The dominance of a single political party winning with over 50 per cent is becoming weaker, and coalition governance in municipalities is increasing. The key question, therefore, is “What is the effect of coalition governance in municipal services delivery?” This research analyses the extent of coalition in the local government sphere and compares the performance of municipalities with majority-led councils and municipalities with coalition-led councils using a quantitative approach in the provision of domestic water resources and municipal audit outcomes for the 2020/21 and 2022/23 financial years. Results show a significant increase in the number of municipalities with hung councils between 2016 and 2021, from 27 municipalities in 2016 to 67 municipalities in 2021, representing a 66 per cent increase. Quantitative results show that the mean for both groups of municipalities is positive for both water provided within the yard and the total. Municipalities with hung councils have a mean of 0.0523, while the majority is at 0.028. Better performance of unit water access delivery on average is shown among hung council municipalities. The standard deviation for municipalities with hung councils is higher than that of municipalities with majority-led councils, indicating higher uncertainty in service delivery performance in municipalities with hung councils. On audit outcomes, results show insignificant progress or improvement in both groups of municipalities. In conclusion, with regard to the performance of municipalities with hung councils and municipalities with majority-led councils concerning the provision of domestic water consumer units, municipalities with hung councils show better performance on average, but there is high uncertainty in service delivery performance, hence the Commission recommends that the Department of Cooperative Governance and Traditional Affairs and the South African Local Government Association should identify key lessons and risks associated with hung councils, particularly in terms of the capabilities and performance of basic services.

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The Commission consists of commissioners appointed by the President: the Chairperson and Deputy Chairperson, three representatives of provinces, two representatives of organised local government and two other persons. The Commission pledges its commitment to the betterment of South Africa and South Africans in the execution of its duties.

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Background

Local government is the closest sphere to the citizens and is responsible for the delivery and provision of basic infrastructure and services. In the main, municipalities are responsible for the provision of basic services, including water, sanitation, electricity and refuse removal. The functioning, which includes the effectiveness of municipalities in the delivery of basic services, is closely linked or determined by the functionality of municipal councils. Therefore, how municipal councils are constituted is important for service delivery. Since the dawn of democracy in South Africa, the chance of a political party winning with over 50 per cent is becoming weaker and coalition governance in municipalities is increasing. For example, the number of hung municipalities increased from 27 in 2016 to 67 in 2021. Hence, this research assesses the performance of coalition-led municipalities.

This research attempts to answer two key questions:

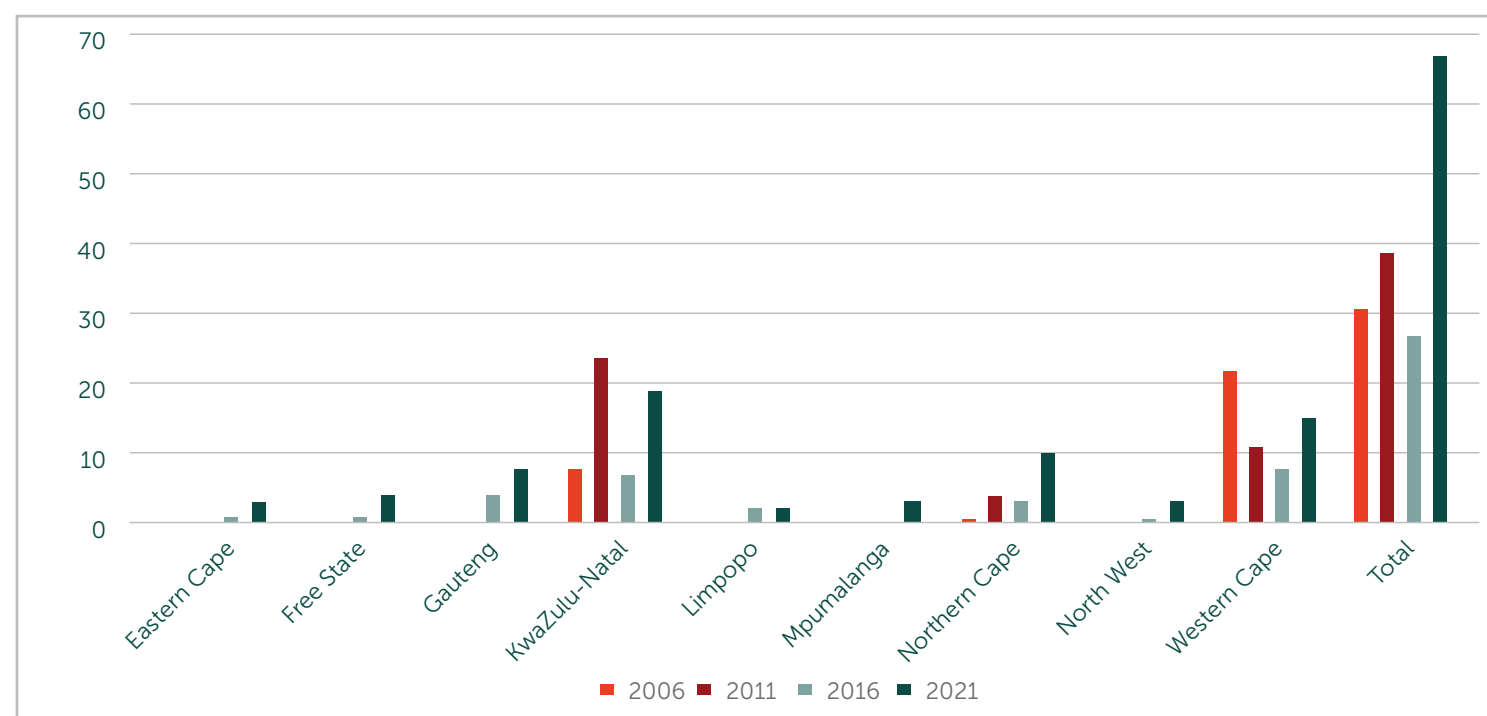
- What is the extent of coalition in municipalities in South Africa since 2006?
- What is the impact of coalition government compared to majority-party-led councils?

The research utilises a quantitative approach and the audit outcomes of municipalities.

Research findings

There has been a significant increase in the number of municipalities with hung councils in South Africa between 2006 and 2021. The number of coalition-led municipalities increased significantly between 2016 and 2021, from 27 municipalities in 2006 to 67 municipalities in 2021, representing a 66 per cent increase, as illustrated in Figure 1. While the number of hung municipalities in KwaZulu-Natal decreased from 24 in 2011 to seven in 2016, it increased from seven in 2016 to 19 in 2021. Given this trend and what transpired in the National and Provincial Government Elections in terms of a declining outright majority win, it is likely that the 2026 Municipal Elections will result in more municipalities under this arrangement.

Figure 1: Number of coalition-led municipalities per province from 2006 to 2021



Independent Electoral Commission, 2000, 2006, 2011, 2016, 2021

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Table 1 compares the municipalities with majority-led councils and municipalities with hung councils. Comparing the mean as shown in Table 1, the mean for both groups of municipalities is positive for both water provided within the yard and the total. Municipalities with hung councils have a mean of 0.0523, while the majority is at 0.028. Better performance of unit water access delivery on average is shown among hung council municipalities. Standard deviation for the municipalities with hung councils is higher than that of municipalities with majority-led councils for both water provided in the yard and the total, and therefore, uncertainty in service delivery performance. This higher standard deviation shows a wider distribution in the performance of municipalities with hung councils.

Table 1: Descriptive statistics

	Hung		Majority	
	In-yard	Total	In-yard	Total
Mean	0.0464	0.0523	0.0157	0.028
Standard deviation	0.203	0.240	0.107	0.0916
Minimum	-0.430	-1.00	-0.346	-0.400
Maximum	1.35	1.39	0.571	0.673

Source: Financial and Fiscal Commission's calculations

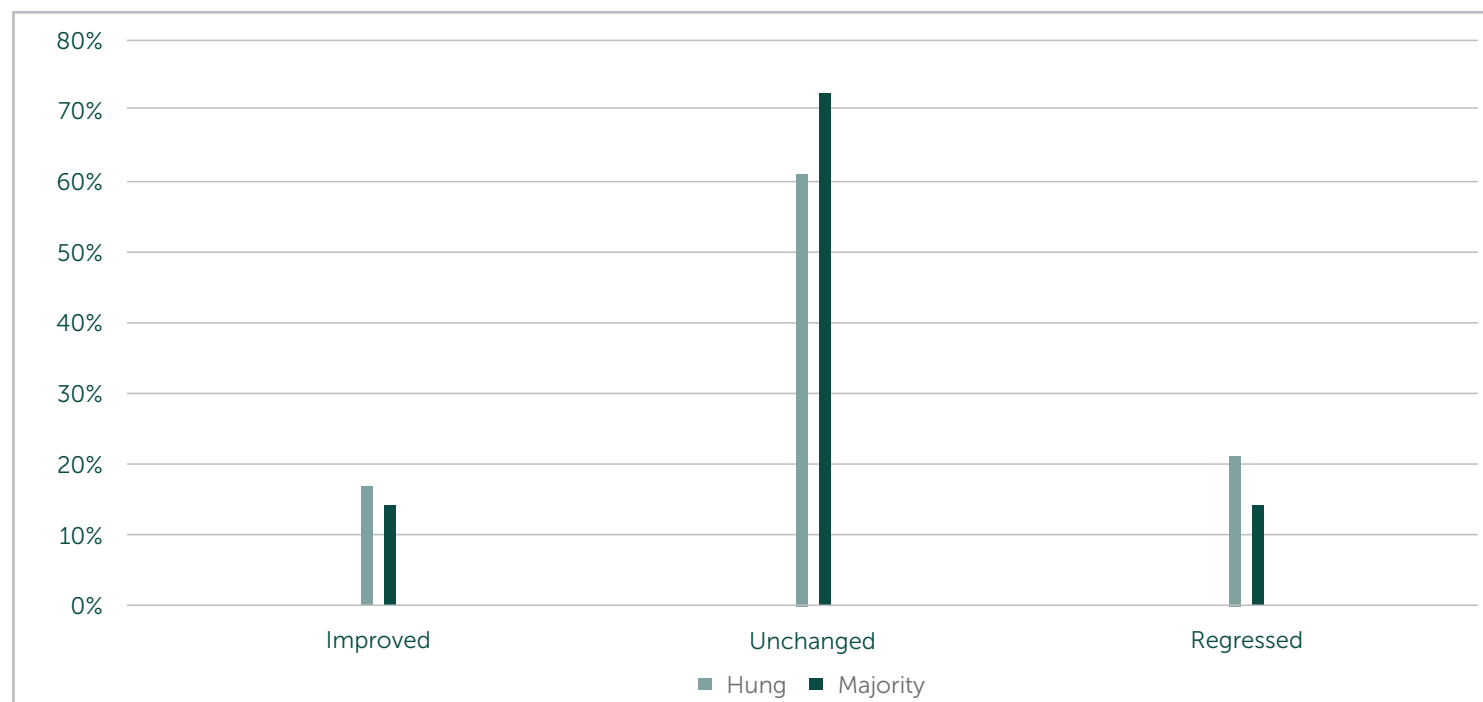
In both instances, the Mann-Whitney U test's p-values were used as it is relevant for the non-normal distribution both within the yard and for the total. The results show p-values of 0.034 and 0.008, respectively, as shown in Table 2. These results show p-values of less than 0.05, suggesting a rejection of the null hypothesis that there is no difference between the hung and the majority municipalities. This implies that municipalities with hung councils perform better than municipalities with majority-led councils in the provision of water services. A general conclusion that municipalities with hung councils perform poorly is not always correct, even though instability is always reported.

Table 2: T-test p-values

		Statistic	P-value
Total	Student's t-value	-1.53	0.128
	Wech's t-value	-1.05	0.298
	Mann-Whitney U test	5 096	0.008
In-yard	Student's t-value	-1.56	0.121
	Wech's t-value	-1.18	0.243
	Mann-Whitney U test	5367	0.034

On audit outcomes and comparing the percentage of municipalities that have regressed in 2022/23 compared to 2020/21, Figure 2 illustrates that 21 per cent of municipalities under coalition-led councils have shown regression/ worsening of audit outcomes compared to 14 per cent in majority-led municipalities. Concerning municipalities with unchanged audit outcomes, 72 per cent of municipalities with majority-led councils did not improve or regress on their audit outcomes, while audit outcomes of 61 per cent of municipalities with hung councils did not change either. Figure 2 shows that there has been some improvement in municipalities' audit outcomes, with the results reflecting 17 per cent for municipalities with hung councils and 14 per cent for municipalities with majority-led councils.

Figure 2: Municipal audit outcomes: Percentage of municipalities that improved, remained unchanged and regressed



Source: Auditor-General, 2023

Financial and Fiscal Commission's compilation

Conclusion

The local government, as the sphere closest to the citizens, is responsible for the delivery and provision of basic services, and the provision and maintenance of basic infrastructure. This includes water, sanitation, electricity and refuse removal. The ability of municipalities to effectively provide basic services is closely linked to or determined by the functionality of the municipal councils. In recent years, there has been an increase in the number of hung councils as political parties are failing to win with an outright majority of over 50 per cent of votes. The trend of coalition governance is increasing and is likely to continue, even in the upcoming 2026 Local Government Election. The research findings reveal that the number of hung municipalities increased from 31 in the 2006 Local Government Election to 67 in the 2021 Local Government Election. Quantitative results show that the mean for both groups of municipalities is positive, though higher for hung councils versus the majority councils. However, the standard deviation for municipalities with hung councils is higher than for those with majority-led councils for both water provided in the yard and the total. In both instances (within the yard and the total), the results showed p-values of 0.034 and 0.008, respectively, meaning that, under the assumption of non-normal distribution, hung council municipalities perform better than majority council municipalities in water unit access delivery.

Regarding audit outcomes, 21 per cent of municipalities under coalition-led councils have shown regression in their audit outcomes compared to 14 per cent in majority-led municipalities. A total of 72 per cent of municipalities with majority-led councils did not improve or regress, compared to 61 per cent in the case of municipalities with hung councils. However, there have been better improvements in audit outcomes in hung councils than in municipalities with majority councils. The Commission recommends that the Provincial Department of Cooperative Governance and Traditional Affairs, and the South African Local Government Association should identify key lessons and risks associated with hung councils, particularly in terms of the capabilities and performance of basic services.

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