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# NEVA MAKGETLA: Innovative systems needed to revamp service delivery

**The discussion on ways of improving public services for everyone should be reopened**

BL PREMIUM

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Municipal workers clean up Marina Glen in East London. File picture: DAILY DISPATCH

You can't just scale up a paper aircraft into a Boeing 707. The difference in size and complexity requires completely different systems.

When the government scaled up services for the majority after 1994, however, it changed remarkably little in its core systems. Officials stretched capacity and budgets in a vain effort to provide the entire population with services previously enjoyed by a privileged 10%. The results have not been kind.

Regarding housing, in 2016 3.9-million households, almost a quarter of the total, told the Community Survey that they had received a housing subsidy. From 2007, the government spent more than R300bn (in constant 2016 terms) on housing, or nearly 2.4% of the budget. From 1996 to 2016 the share of households living in formal housing climbed from 65% to 80%, while the share in traditional or informal dwellings dropped from 35% to 20%. Yet the government still provides most housing on the apartheid model — far from economic centres and jobs, with tiny houses on separate plots and in communities that mostly lack facilities for shopping, recreation or economic activity.

Virtually all observers agree this settlement pattern contributes to joblessness, inequality and higher infrastructure costs. To really break with apartheid would require a focus on empowering people to build integrated and dynamic communities. It needs innovative systems to mobilise more resources. More could be done to use underutilised land in suburbs near the city centres, working-class people could be supported more to build better homes for themselves and the government could require private developments to include some low-income housing.

Similar patterns of path dependency can be seen in education and health. In both, formal discrimination was eliminated and spending on historically underserved communities increased dramatically after 1994. But the basic systems for providing services and facilities changed relatively little.

The way in which decision-making systems encourage path dependency rather than innovation, even when the outcomes are visibly dismal, should be unpacked.

The budget process is the main way in which the government manages risk and it is inherently risk averse. It is far easier to maintain funding for existing programmes, however inadequate, than to reallocate public resources at scale. As a rule, large new programmes end up with a fraction of the resources needed for real change. Less costly projects can duck the budget radar, but they therefore often avoid real risk assessment.

If an innovation fails, officials face criticism from auditors, the media and the public. They are more likely to weather the storm if they stick to existing rules, however shocking the results. Key performance indicators relate primarily to planned activities, ignoring programmes' social or economic impacts. Officials can therefore usually live more easily with persistently inequitable and costly outcomes than with innovation's risks.

SA also still lacks a coherent strategy for dealing with centres of excellence, which stretch from suburban roads to the Gautrain, the top schools and private hospitals. These projects focus resources on a few lucky citizens, defined mostly by wealth and where they live. It is difficult to risk innovations to make them more cost effective.

Improving public services requires better risk management systems, which permit large-scale innovation while blocking proposals that can't succeed. The discussion on ways of improving public services for everyone should be reopened. The risk of failing to create a more equitable and inclusive society far outweighs the risks of innovation.

• *Makgetla is a senior researcher with Trade & Industrial Policy Strategies.*



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