

Local Municipalities, Central Fiscal Reform, Regional Blocs: revenue relationships and local government in Limpopo, 1980-2020

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Abstract

This article considers the changing role of the Mogalakwena Local Municipality in the political economy of the Waterberg region of Limpopo. It considers the effects that centre-led processes of municipal fiscal reform over the course of the 1980s and 1990s have had on local and regional politics, and suggest that this offers one dimension through which to understand why Limpopo has long proved a troublesome region for successive national South African governments, across the apartheid and post-apartheid decades. In section I, I consider the outcomes of attempts by the national government to reform apartheid in the 1980s. Even as the National Party moved to introduce forms of regional government which had greater emphasis on the redistribution of revenues across racial boundaries, lily-white Conservative Party-controlled local councils sought to entrench fiscal segregation and resist inclusion in the Regional Services Councils (RSCs). In section II, I show how this resistance ultimately failed in the face of national transitional processes. By the end of the 1990s, the CP was a spent force. However, what resulted from the period of the local government transition fell far from the aspirations of “wall-to-wall democratic local government”. In section III, I argue that post-apartheid municipal reform which has overseen an expansion of the developmental role of local government, which entrenched principles of corporate managerialism and outsourcing, has given rise to new forms of local and regional resistance against central government and party control. Against the backdrop of local economic decline, local politicians have used revenues distributed by the national treasury to build an independent political base within regional and provincial structures of the African National Congress.

Introduction:

This article draws on PhD research into the history of the Mogalakwena Local Municipality in the town of Mokopane (formerly Potgietersrus) in the Waterberg District of Limpopo Province. Today a key centre of platinum mining, the region was once predominated by tobacco and cattle farming. During the apartheid era, Potgietersrus was among the country’s most vehemently segregationist towns in a constellation of so-called “lily white” townsⁱ of the then Northern Transvaal, identified by some as the Transvaal’s “Bible belt”.ⁱⁱ The last frontier of

white settlement, the Northern Transvaal was home to a puritanical form of intensely segregationist white supremacy which gave rise to the Conservative Party (CP), a far-right party which broke away from the National Party (NP) in 1982. The Northern Transvaal was also home to the Lebowa Bantustan, an ostensibly “ethnic” homeland constituted by an archipelago of disconnected territories – so planned to preserve a column of white control from Pretoria to the Zimbabwean border.

Across both the apartheid and post-apartheid eras, the Potgietersrus Town Council and its successor, the Mogalakwena Local Municipality, has constituted a troublesome political knot for national politicians, a site through which broader regional political resistance to forms of central government control has been condensed. This article considers the changing role of the municipality in the political economy of the region in the dying days of apartheid, through the democratic transition and up until present day. In particular, it considers the forms of local and regional resistance that have followed in the wake of centre-led processes of municipal fiscal reform between the 1980s and the early 2000s. I suggest that this constitutes one dimension through which to understand why the municipality – and indeed the Limpopo Province more broadly – has proved a thorn in the side of successive national South African governments.

There have been several waves of scholarly engagement with the politics of regional and local governance. In the 1980s, it was at this level that some of apartheid’s most significant reforms were enacted, including efforts to reconfigure spatial governance across racial boundaries. But, as Stanley Greenberg and others noted - and as will be demonstrated in this article - these reforms found limited success, driven as they were by a cynical agenda of local elite cooptation and the containment of rising protest (1987). In the post-apartheid period, Gillian Hart’s analysis of the local state has been particularly influential. Using the local state to demonstrate the “key site[s] of contradictions in the neoliberal post-apartheid order” (2002, 7), Hart in part considers how the local state acts as a driver of accumulation. More recent scholarship has considered how ANC factionalism has been spurred by contests over municipal resources in the form of tenders and appointments (Beresford 2015; Booysen 2015; Olver 2017; Gibbs 2022). However, it is by looking at the relationship between politics and financial controls over a period of forty years that this article is able to offer new insights into the nature of the local state. By honing in on local politicians’ efforts to control and distribute revenues, I argue that official policies and modes of financial management introduced by the national government through center-led reform efforts have constituted local politics as much as local politics have constituted and shaped efforts to control finances. While political parties and local politicians

are often presented as imposing an ideological framework on questions of revenue collection and distribution, I show how revenue and fiscal structures determined at a national level shape the possibilities and contours of local politics.

In section I, I consider the outcomes of attempts by the national government to reform apartheid in the 1980s. Even as the National Party moved to introduce forms of multiracial regional government with greater emphasis on the redistribution of revenues across racial boundaries, lily-white CP-controlled local councils sought to entrench fiscal segregation and resist inclusion in the Regional Services Councils (RSCs). In section II, I show how this resistance ultimately failed in the face of national transitional processes. By the end of the 1990s, the CP was a spent force. However, what resulted from the period of the local government transition fell far from the aspirations of wall-to-wall democratic local government. In section III, I argue that post-apartheid municipal reform which has driven the expansion of the developmental role of local government, guided by principles of fiscal austerity and outsourcing, has given rise to new forms of local and regional resistance against central government and party control. Against the backdrop of local economic decline, local politicians have used revenues distributed by the national treasury to build an independent political base within regional and provincial structures of the ANC.

(I) White Town Councils at the End of the World

The astronomic rise of the CP across towns of the Northern Transvaal in the course of the 1980s has been noted by various scholars of the late-apartheid period (O'Meara 1996; van der Westhuizen 2007). The CP is generally lumped with with other far-right organisationsⁱⁱⁱ as a fringe movement of *bittereinders* who were ultimately overtaken by the transition to democracy and relegated to insignificance following the first general elections of 1994. Yet little attention has been paid to the role of local municipalities in providing an institutional base for the CP's strategy to foster white unity across the region and resist central government reforms. While initially the CP railed against reforms undertaken in the late apartheid period by the administration of PW Botha, it would later prove an obstructive actor in both the negotiations process and the period of local government transition between 1993 and 2000. The hold that the CP exercised over local white municipalities gave the party a regional footprint, offering an outsized degree of leverage over transitional processes unique amongst organisations of the far-right – and one which far exceeded their raw numerical strength in national terms.

What initially prompted the CP's breakaway in 1982 was the moves towards the establishment of the Tricameral Parliament by Botha's NP. In the years that followed, the CP would pursue an aggressive strategy of bottom-up activism to resist widening forms of reform, particularly those introduced to the local government system. In the prism of the "Total Strategy", the local was identified as the principal site of proliferating anti-government protests, and so the central government devised new strategies of containment through local government reform (see Swilling 1988, 413). Some of the most brazen aspects of racial segregation would be slowly relaxed while Botha's regime escalated forms of securitized control. In the urban areas, the administration introduced new municipal structures (the Black Local Authorities), described by the Minister of Cooperation and Development as an "exciting phase" for black urban communities to "realise their potential to the full in their own sphere and under their own authority at the administrative level" (Riekert 1983, 148). In the rural areas, Pretoria came to promote new structures which ostensibly advanced development according to a broader regional perspective, effectively ignoring Bantustan boundaries. The country was divided into eight (and then 9) "development regions" which were to be managed by an array of "multilateral" decision making systems. The Northern Transvaal was classified "Region G".

Botha's government espoused a "deconcentration" and "decentralisation" approach which was ostensibly underpinned by the principle of "economic interdependence, political independence". (O'Meara 1996, 275) Indeed, Botha's reforms did not signify an abolition of apartheid or its foundational logics – the NP would double down on the Bantustan strategy over this period, for instance, pushing ever harder for "self-governing" homelands to accept independence. Yet the CP saw in even these nominal reforms a threat to what it characterised as the "white way of life". The struggle to defend white land from being sold out from under their feet through a negotiated settlement was framed by CP leaders as part of a long embattled Voortrekker history which cast Afrikaners as Israelites in a territory beset by threats. This was, one leader from Potgietersrus insisted, "blood bought land that has been prayed for", and that had to be defended at all costs (Noor Transvaler 1990). Lead by a charismatic Dutch Reformed Church pastor, Andries Treurnicht, the CP's message was full of foreboding apocalyptic tropes, warning of the imminent end of white civilisation if racial segregation was scaled back on any front – spatial, institutional, fiscal.

Over the course of the 1980s, the CP worked to establish an organisational network across the Northern Transvaal. It developed a host of community organisations in towns across the regions – youth clubs and women's groups, for instance – and effectively took over a range of

existing platforms such as business chambers, round tables, agricultural and municipal unions. Among the most important local institutions that came under CP control were, the Town Councils. Until the rise of the CP, local Town Council politics had been governed by a convention which held that the office of councillor was to remain apolitical – that is, councillors were to serve as members of their community, not as members of political parties. As Heymans notes, “While the political leanings of candidates were often known, they were not predominant issues in election campaigns” (1991, 264). This would change dramatically over the course of the 1980s, such that by the 1988 municipal elections, CP-aligned councillors had begun to run explicitly as CP candidates. Heymans attributes this to the fact that the

government placed various constitutional changes, many of which affect local politics, on the agenda. Second, the rise of the Conservative Party introduced a new emphasis on politics in local elections. The CP sees in control of local authorities an opportunity to implement its own policies, and to place obstacles in the way of government reforms... Whites fight intense political battles at this level around segregation and desegregation and the broader ideological divisions which underpin these differences.

The appeal of the CP to white communities across the Northern Transvaal was reflected in successive elections over the course of the 1980s. The first indication of an upsurge of CP support was the 1984 victory of the party in the by-election for the parliamentary constituency seat in Potgietersrus. By the 1987 General Elections, the CP was winning “three votes for every four cast for the Transvaal NP” (O’Meara 1996, 375). And in the 1988 elections, it garnered 53.3% of the Transvaal municipal vote, while the NP trailed with 38.5%. The party secured a majority in virtually every town of the northern Transvaal, yet the Potgietersrus victory for the CP was the most convincing in the region.^{iv} Outside of the Northern Transvaal, however, the CP struggled to gain much traction (with the exception of Boksburg, Rosettenville [and the Vaal Triangle]). In this sense, the CP was truly a regional party.

One plank of Botha’s reform strategy which the CP fought vehemently centred on the recognition that greater multiracial fiscal redistribution needed to take place, even across the boundaries of the “self-governing homelands”. Central officials finally admitted that white towns like Potgietersrus and black townships of Lebowa like Mahwelereng were codependent entities. This entailed the rolling out of new structures of government at a regional level – the Regional Services Councils (RSCs). As Stanley Greenberg put it in 1987, the RSCs “represent a form of local participation and devolution of functions, and therefore serve to broaden the racial character of governmental institutions and localize participation” (Greenberg 1987, 192). From 1987, RSCs were rolled out in the Northern Transvaal, which for the first time saw

members from black town councils of Lebowa sitting in a regional council with representatives seconded from white councils. “South Africa’s local government reform strategy”, Swilling noted, was to be “premised on ethnic primary local authorities ... and multiracial [RSCs]”(1988, 412). The RSCs would decide on how to spend a budget drawn from a collective pool raised from a new 0.1 percent turnover tax and 0.25 percent payroll levies on all business undertakings in the region (O’Meara 1996, 347). While local municipalities were still to be the primary providers of most local services, infrastructural projects with a more regional footprint (roads, water, sewage, electricity etc) were to be funded through the RSCs. This was to be the vehicle through which a measure of redistribution of resources from white areas would be effected to black townships (O’Meara 1996, 347).

These structures would nonetheless remain dominated by white authorities, given that the scale of a municipality’s representation on the RSC was determined by the size of their tax base rather than their population (O’Meara 1996, 347). And the RSCs were also envisaged as a building block of a new regime of securitized, technocratic management spearheaded by Botha (O’Meara 1996, 344). Even so, the CP greeted the RSC system with profound and dramatic anger, railing against the moves towards fiscal desegregation that the system implied.

In the 1988 elections, CP councillors ran on the promise of preserving the use of “white taxpayers money” for the development of “white” areas only, issuing dogged defences of municipal autonomy and “self-determination”. Interviews carried with prospective ward councillors by *Noord Transvaler* in the run-up to the election show the centrality of these appeals to the CP strategy. One CP candidate in Potgietersrus insisted that Town Councils now “carried a political significance to an unprecedented extent” and warned against the sidelining of Town Councils through the creation of “mixed” [*gemengde*] RSCs – “an attempt to use white tax money for other population groups”(Noord Transvaler 1988a). Another insisted: “I feel very strongly for the abolition of [RSCs] because it is political power sharing with Blacks, Indians and Coloureds at municipal level”, and claimed to be standing “for white municipal authorities, a white community life and a white government in a white fatherland”(Noord Transvaler 1988b). And another railed against the RSCs as “Mixed form of government and the contribution of the whites is used for people of colour [*kleuriges*]. I think the time has come for each group to make its own contribution to its own community”(Noord Transvaler 1998c).

The moves towards fiscal desegregation and political “power sharing” was cast by the CP as one element of a battery assault on white existence and the sacred history of the Afrikaners in

the region. The threat of the RSCs was spoken of in the same foreboding tones as the possibility of the repeal of spatial apartheid and the creation of mixed residential and business areas. “Opening public facilities to other races, mixed neighbourhoods or so-called grey areas”, one candidate insisted, would signal that “power is longer executed from town councils”. Another insisted “the whites of Potgietersrus desired to live close to each other as a Christian people [*Christenvolk*]” (Noord Transvaler 1988 d). And another promised that CP councillors would “fight against the oppression [*verdringing*] of whites in their own areas” and work to stop the “process of impoverishment [*verarming*] among the whites” (Noord Transvaler 1988 e). The week after the election, the CP Council issued a statement expressing support for the moves of the CP-controlled Boksburg City Council to reintroduce racially segregated facilities. George Morkel-Brink, now Chairman of the Council’s Management Committee, declared “This Town Council appreciates the way in which the City Council of Boksburg protects the interests of its inhabitants”. In the statement, it was suggested that when it came to the new municipal buildings under construction, the “architect be requested to make a submission regarding separate payment points for the different racial groups in the payment hall as well as toilet facilities, with associated cost estimates” (Noord Transvaler 1988 d).

However decisive the regional victories of the CP, by the close of the 1980s the national tide had turned against intensified segregation, especially following the appointment of FW de Klerk as the NP’s national leader. And in February 1989, despite all their protestations over the structure, 15 CP Councillors from across the region finally attended a meeting of the newly inaugurated Bosveld RSC. Yet they swiftly left the meeting, refusing to participate in the dinner that followed it. One CP councillor “stated pertinently during the meeting that he will not attend a dinner of the council where people of other colours are also present”. A Potgietersrus CP Councillor told the *Noord Transvaler* that “it is bad enough that seats in the assembly hall have to be shared” (Noord Transvaler 1989a). Similar stunts had been undertaken by the Pietersburg CP councillors, who had some months prior issued an ultimatum to the Northern RSC to vacate the offices they rented from the Council in the town center on the pretence that the municipality required more office space (Noord Transvaler 1988 g).

In the 1989 General Election, the CP once again increasing its majority, and expanded control to all five constituency seats in the Northern Transvaal. Dr Willie Snyman, the CP Member of Parliament for Pietersburg, said that the election proved that support was evaporating for the prospect of desegregation:

the NP's philosophy of a unitary state in which the status of the whites will be reduced to a minority group whose rights must be protected against black domination. This process of disintegration will inevitably continue until the ideal of freedom of a people, as in the past, once again prevails in the land that belongs to us historically and in law. This ideal has now been fully achieved here in the Northern Transvaal... This is now CP world” (Noord Transvaler 1989b).

In the turbulent transitional years that would follow, the CP would continue to seek to defend this “ideal of freedom” for white Afrikaners, seeking to resist all forms of desegregation, including principles of fiscal redistribution.

(II) The Transition and Local Government Reconfiguration

The February 1990 announcement by FW de Klerk of the release of Nelson Mandela, the unbanning of political parties and the move towards negotiations would fundamentally change the political terrain in which the CP operated, and motivate ever more audacious acts of obstruction and sabotage by the party and the right-wing more broadly. De Klerk moved with greater force than his predecessor to repeal the basic tenets of official spatial apartheid, even as he sought to find ways of preserving white minority rule through negotiations (O’Meara 1996, 410-411). By September, parliament had decided to repeal the Separate Amenities Act, and discussions were afoot to scrap the Group Areas Act, opening the door to multiracial social and residential integration. In response, an urgent meeting of residents was called by the CP Mayor of Potgietersrus to discuss its future prospects as a lily white town. Three resolutions were taken which were to be conveyed to the central government by the Town Council:

Firstly, that the Town Council does not give in to pressure from the government to open white facilities to Potgietersrus created by money from white taxpayers to other races. Second, that all accumulated funds from the municipality, which are also only white taxpayers' money, are used only for white facilities and for the whites. Third, that the white Town Council of Potgietersrus will not integrate and act only on behalf of the whites of Potgietersrus (Noord Transvaler 1990).

In the months that followed, all manner of alternative segregationist mechanisms would be discussed by the Council (including the introduction of a localised pass system). The CP capitalised on persistent fears about what negotiations and democracy meant for the future of white people in South Africa, and galvanised residents into action against both De Klerk’s NP and the ANC. In the 1992 referendum to decide on whether to continue on the path of negotiated settlement, the Northern Transvaal was the only province where a majority had

voted “no”. In response the ANC in the province condemned “right-wing extremists” as “a dangerous and desperate minority who stubbornly wish to cling to a discredited past” (Lebowa Times 1991). Some of this danger was demonstrated in the months that followed. In 1993, Potgietersrus made national news headlines when the property of Dr Andre van den Berg was attacked after he had referred black patients to the formerly whites-only Voortrekker Hospital. His vehicle was set alight and a petrol bomb thrown at the stoep of his house following threats by members of the “far right” (City Press 1993). Van Den Berg pointed a finger at Dr Johan Lets Pretorius, described as an outspoken right-wing doctor who had previously lead a march against a planned ANC protest in town and had allegedly made inquiries about Van Den Berg’s referrals (Rapport 1993). Pretorius was also an official in the Potgietersrus Town Council, heading up the Health portfolio (South African Association of Municipal Employees 1989). Pretorius distanced himself from the attack, and denied being a member of the AWB (Rapport 1993). But he told the *Beeld*: “Would you now like the place to be flooded from far and wide by hundreds of thousands of black people while an equally well-equipped hospital just 4 km from the town was set up especially for them?” (Beeld 1993). This episode would be followed over several years by a range of other local initiatives endorsed by municipal leadership to prevent the desegregation of public facilities – including the notorious furore over Laerskool Potgietersrus.

Meanwhile, the CP had managed to gain a key concession during the negotiations process which would profoundly influence the course of local government transition in the 1990s. While the CP had boycotted the Multi-Party Negotiating Process which entailed negotiations over national and provincial government, it did attend the Local Government Negotiating Forum (LGNF) held in Kempton Park in March 1993. The strong commitment to local consociationalism that emerged from the LGNF has been attributed to the intransigence of the CP and the CP-aligned Transvaal Municipal Association (Spitz and Chaskalson, 1984). The inclusion of the CP was reported as “a major breakthrough” since as CP councillors had “threatened to resist any attempts to integrate white towns” (Business Day 1993). The concession to the CP vested “elected representatives of white residents with an effective veto over local government decisions” (Spitz and Chaskalson, 186). Major resolutions in the Transitional Local Councils (TLCs) would require a two-thirds majority – including the passing of the annual budget. Thus, until the end of local transitional arrangements in 2000, “in most areas local government could not take any significant decisions without the consensus of councillors representing white residents”(Spitz and Chaskalson 184). The ANC had accepted

these concessions “in view of the threat of white right-wing resistance to local government transformations in the towns currently controlled by the CP”(Spitz and Chaskalson 190). After the 1995 local government elections, the Greater Potgietersrus TLC was constituted by 17 councillors, 11 of which came from the ANC, 2 from the NP and 4 from the CP. Yet given the negotiated concessions, the ANC required the support of at least some of the 6 white councillors to achieve a two-thirds majority in council.

The incoming ANC councillors would be saddled with the task of bringing profound institutional change to the formerly all-white municipality, often with little real aid from higher structures of government. In the face of continuing threats of white right-wing violence, these actors would have to undertake delicate processes of building trust and securing peace within the institution, while facing all manner of intransigence and sabotage by white councillors and administrators.^v For several months, councillors argued over the insistence of some conservative white councillors to address the gathering only in Afrikaans, for instance. Rahab Lebelo notes that fights continued over the drafting of the council meeting minutes and agendas in Afrikaans: “We took close to 4 or 5 months discussing the language, not discussing the development”(Lebelo 2022).

Similar shows of controversy over procedural issues were reported in municipalities across the region, which the ANC came to condemn as a “smokescreen” to resist more substantive change: “It has become very clear to us that the NP, FF and CP are bent on resisting transformation in local councils in the province. (Northern Review 1996a).” In a lengthy piece of political analysis in the Northern Review, one commentator noted the white alliance that characterised councils across the region:

In the national political debate, the NP is ideologically much closer to the ANC than to the CP, but on a local level the party relies heavily on the conservative flag bearers. In terms of socio-economic status, the NP and the CP have a lot to say to each other and the merging of the traditional white municipalities and the townships emphasizes the class differences between whites and blacks. The black members of the NP can not sleep too peacefully when they realize how snugly the interests of the purebred CP and the liberal NP ... are elevated to community interest. (Northern Review 1996 b)

ANC councillors clashed with the NP-CP alliance when it came to dealing with a range of issues centred on historical spatial segregation. White councillors stonewalled suggestions to extend the rights of hawkers to sell their wares in town, or for residents of Mahwelereng and the villages to drive donkey carts along the town’s streets (Manamela 2019; Mmola 2019). Yet

one aspect which was resisted especially fiercely was the prospect of fiscal redistribution from the TLC to areas of the former Lebowa Bantustan. This had surfaced even in the local government negotiations that had taken place in the area in 1994 to determine the boundaries of the TLC. While ANC and civic representatives insisted that all villages in the greater region fall under the ambit of the new council, white conservatives insisted that only the immediate township be included. In the event, the new TLC would only include the territories of Potgietersrus, Mahwelereng and the villages immediately abutting these areas. Across the province, in the run-up to the 1995 elections, CP rally slogans centred around opposition to the idea of sharing the budgets of white towns with black areas, and insisting that black residents pay for services. The Pietersburg CP councillor, Koos Kemp, insisted "We claim equal rights and equal rates for services and tax". Kemp and the CP were outraged at the proposal by civic associations that residents of the former Bantustan continue to pay a flat rate for services, and the CP demanded: "One flat rate for all, or no flat rate at all!" (Lebowa Times 1995). And in the Greater Potgietersrus TLC, the Town Clerk, Karel Liebenberg, would be joined by right-wing councillors in once again rejecting the notion that so-called "white taxpayers money" should go towards developing areas that ostensibly would not be able to pay for them.

This fight would culminate in the budget crisis of 1997, when white councillors refused to assent to a budget that would finally extend financing to develop services in the villages and the township from the municipal pot. ANC councillors were appalled to read the budget and find that there were no funds included "for the installation of essential services like water and electricity in the areas of Vaaltyn, Sekgakgapeng and Madiba" (The Citizen 1997a). The provincial ANC issued a statement which described the move as "completely incongruent with the transformation programme put forward by the newly-established democracy in South Africa" (City Press 1997). Liebenberg told reporters that while "it was negotiated that the areas be included in Greater Potgietersrus ... the exco is not authorized to provide services there in terms of the law" (Beeld 1997). In response, the ANC councillors refused to ratify the budget, which threatened to bring basic service provision to a halt. Liebenberg then approached the high court, seeking to compel the MEC of local government to intervene to have the budget passed. In response, the MEC accused the town council of "practising racial behaviour" and "especially [...the] chief executive officer [Liebenberg] who took the council to court" – a statement which Liebenberg called "libellous" (The Citizen 1997 b).

While Liebenberg insisted that the real reason was that the exco was uncertain whether the council "could lawfully and/or without proper safeguards supply services to the area" which

fell under the ambit of traditional authority, (The Citizen 1997b) respondents interviewed regarded this as a technicality evoked to obstruct the broader aims of extending services. Irene de Villiers, who worked in administration at the time, argues:

if you receive guidelines from provincial about how you should do it, how can it be... I mean, it's true, there's no legislation that empowers you to do it. But nobody would've queried or taken you to court about that. Now you have it in black and white (2020).

Ultimately, Liebenberg would be forced out of the position of Town Clerk, and development funds would begin to flow to the villages and township. By the year 2000, the CP was effectively spent as a political force, yet their presence in the municipality and that of conservative officials had profoundly complicated the processes of transition. The CP was able to exercise an outsized influence on national political structures over the course of the transition due to the sense of regional organisational muscle it was able to galvanise in resistance to processes of democratisation. In particular, the control that the CP exercised over town councils of the region provided the party with leverage to challenge the negotiations process and gain concessions which allowed local white politicians extended occupancy in positions of political power, which they used to frustrate and obstruct attempts at local desegregation and redistribution. Some CP councillor went on to join the Freedom Front (FF) – George Morkel-Brink, for instance, served on the council until 2018, retaining fiercely segregationist views. White right-wing presence in the region has not entirely dissipated in the region – indeed, it is showing increasing signs of resurfacing in the face of post-apartheid municipal crises. And the imperative to protect “tax payers money” continues to offer a rallying cry for white political mobilisation across the region.

(III) Post-Apartheid Reform, Fiscal Decentralisation and the ANC Region

While CP battles were playing out within local municipalities across the region, sweeping new legislative changes were being introduced to the local government system, beginning in 1998.^{vi} Successive legislation would bestow a far greater developmental mandate on municipalities, a host of new responsibilities to “confront massive redistributive pressures” that had galvanised mass action against the apartheid state in the previous decade (Hart 2002, 7). There were several guiding rationales behind the turn towards greater devolution of power to the local level, not least the ANC’s anchoring in the grassroots struggles which had unfolded over the previous decade around demands for housing and basic services. The new constitutional dispensation emphasised the importance of local democracy and community participation in

the redress of apartheid's destructive experiments in spatial segregation and uneven "separate development" (De Visser 2009, 9).

In 2000, the Mogalakwena Local Municipality was formed out of the spatial fragments of the apartheid past: the proclaimed townships of Mahwelereng and Rebone, 178 villages, the 'Indian Group Area' of Akasia, and the town of Potgietersrus where the central administrative building is now situated. Once presiding over just the immediate white town, the amalgamated municipality was now tasked with administering services to an area approximately 6,200km² in size, much of it lacking basic services and difficult to access (Mogalakwena Local Municipality 2021/2022, 52). For the first time, an equitable share would be distributed by the national treasury from a central national pot which intended to redress the uneven fiscal flows that had characterised the apartheid regime and produced such gross inequalities in development across racial boundaries.

Just as the mandate of local state was dramatically expanded, however, the central state was pursuing a package of conservative economic policies which emphasised the virtues of fiscal austerity and the reduction of direct welfare provision (Hart 2002, 7). Moreover, "cost recovery" and "user pay" principles were emphasised with ferocity by the national government: residents of the former Bantustans who had not paid or paid very little for (generally inadequate and inconsistent) services were now to be shepherded away from their so-called "culture of non-payment" and recast as fiscally-responsible citizens^{vii} – even as the means to do so grew ever more remote for many rural citizens as the bite of deindustrialisation was felt in small towns across the region. The drive for expanded development with reduced financial means led Hart to identify to characterise the local state as "the key site of contradictions in the neoliberal post-apartheid order":

local government has become the impossible terrain of official efforts to manage poverty and deprivation in a racially inflected capitalist society marked by massive inequalities and increasingly precarious livelihoods for the large majority of the population (2014, 5).

Over the course of the 2000s, in recognition of the squeezed financial state of local municipalities, the central government did provide increased capital to the local state in the form of ring-fenced development grants and indigence allowances. The quantum of transfers from the National Treasury to local government is still, however, fiercely debated. In the 2018/2019 budget, for instance, they amounted to just 8.3% of the national budget, which the Financial and Fiscal Commission has described as a "bone of contention", especially given that

local demand for basic services has increased significantly over the last two decades (National Council of Provinces 2022). This is perhaps especially true of rural municipalities which continue to be burdened by the spatial legacies of apartheid against the backdrop of increasing unemployment and poverty. In the Mogalakwena Municipality, for instance, unemployment estimates have consistently ranged between 45% and 70% of the economically active population (Mogalakwena Local Municipality 2021/2022, 49). While the arrival of platinum mining in the area was heralded as the dawn of a new era of local economic prosperity, the largely mechanised Anglo-American mine has not yielded significant employment, and has further precipitated conflict within traditional authority structures over access to the marginal trust funds allocated by the corporation for local community development (see Mnwana, Mtero and Hay 2018). In addition, it has not signalled significant windfalls for the municipal coffers. The electrical manager explains, for instance, that the municipality has in fact seen electricity sales decline by about 25% since the end of apartheid as smaller local industries were shuttered in the wake of the collapse of the local tobacco industry, and the mine came to acquire its electricity directly from Eskom (Johan Fourie 2020).

Nevertheless, the increased resources that Mogalakwena came to be allocated by the National Treasury from the 2000s, now commanding an annual budget of over R1 billion (Mogalakwena Local Municipality 2021/2022, 118), alongside changes to the local government fiscal regime and the expanded autonomy accorded to local government (a “sphere” not a “tier”), have together precipitated a profound change in the place of local municipalities in the regional political economy, expanding the possibilities for regional networks to accumulate the resources required to build an independent political base.

The patronage opportunities that local municipalities offered the likes of CP politicians in the past were largely circumscribed by the limited roles and budgets that these institutions were afforded. The mandate of Town Councils remained fairly narrowly directed towards maintaining town infrastructure, providing services like water, electricity and refuse removal, and beautification schemes. Distinctly larger patronage opportunities existed for white businessmen and politicians at other levels of government, and perhaps above all in contracts secured for construction and service provision to the Lebowa Bantustan (through which a great many white businesses amassed great fortunes).^{viii} There were, however, opportunities for forms of regulatory capture on the part of councillors and administrators, who, for instance, would work towards rezoning schemes which favoured their business interests (a number of councillors were well established businessmen). And more informally, John Dombo notes,

white councillors used the halls, vehicles (including tractors) and grounds belonging to the municipality as “their personal property” (this speaks to the way in which the municipality functioned as a kind of community centre and “boy’s club”) (Dombo 2019). Holding onto these privileges formed one thread of the CP resistance to municipal fiscal reform.

The post-apartheid government’s modes of municipal fiscal reform transformed municipalities into new sources for the expansion of networks of political patronage, however. In particular, one key imperative of post-apartheid managerially-inspired public service reforms was the outsourcing of key services and projects to the private sector, transforming “the role of public servants ... from that of administration to that of managing contracts” (Brunette et al. 2014, 9). Over the past two decades, against the backdrop of declining local economic conditions, the rise of poverty and unemployment, regional networks have drawn on the expanded resources offered by local municipalities to accrue forms of regional power within the structures of the ANC and shape the national political terrain – a phenomenon which has both emerged from and contributed to an increasingly fractious political environment.

Many respondents identify the ANC’s controversial 2007 Polokwane Conference at which Jacob Zuma unseated Thabo Mbeki for the position of ANC president as the beginning of the fracturing of the party. Yet by the mid-2000s, it was already clear that local structures of the ANC had grown increasingly resistant to forms of unilateral control, and that regional politics was already beginning to spin beyond the direction of the central leadership. The contradictions that Hart identifies had, by the mid-2000s, begun manifesting in widespread protests across the country over access to basic services – principally, water and housing – and some of these were in fact lead by ANC activists. The provincial regime of Ramatlhodi had by this point come to be increasingly mired in corruption scandals, which Phillips identifies as having emerged out of the confluence of both old networks of Bantustan-era businessmen (both black and white) and new emergent political elites (2020). And at the local level, intra-party competition had taken on violent dimensions. In Mogalakwena, the Chief Whip of the ANC, Lleka Lekalakala, was gunned down in 2006 ostensibly for threatening to expose corruption at the municipality. Nevertheless, the scale and severity of intra-ANC conflict undoubtedly accelerated after 2007, and this has come to thoroughly permeate institutions of the state, including local municipalities, as numerous authors have noted (Booyesen 2015; Beresford 2015; Olver 2017; Gibbs 2022). One key structure which has contributed enormously to the fragmentation of the party is the Regional Executive Committee (REC) of the ANC – and this is largely as a result of its access to the resources of local municipalities.

Following unbanning, the ANC had set about creating structures which overlaid municipal and district administrative boundaries as they were formalised over the course of the 1990s. Regional structures were formed as a meso-level between branch and provincial structures to guide administrative processes of lower structures, including processes for the selection of councillors, nominations for the positions of municipal mayor, speaker and chief whip, and the vetting of branch delegates for internal party elective conferences (provincial and national). Yet over the course of the 2000s, these structures abrogated to themselves greater responsibilities over basic aspects of municipal governance: principally, appointment decisions and the beneficiaries of tendered contracts. These decisions were, however, generally taken in consultation with the ANC's provincial leadership. A former mayor explained the "tradition" that surrounded the selection of Municipal Managers, for instance, with the Region selecting three names for selection by the provincial ANC (Mmola 2019). Yet these established (if uncodified) conventions of the party hierarchy came to be thoroughly challenged as competing factions worked to shore up power in different command posts of party and the state.^{ix}

The Mogalakwena Local Municipality falls under the ANC's Waterberg Region, which presides over 5 other municipalities that make up the Waterberg District. Over the past decade especially, the intrusions of the Waterberg REC into the flow of contracts and appointments at Mogalakwena have resulted in an entrenched cycle of instability and violence at the municipality. Competing local and regional factions of the ANC been mired in bitter battles which have played out within the municipality. In late November 2014, for instance, an ousted mayor and his supporters staged a forceful return to the municipality, supported by a phalanx of police officers and security guards who fired tear gas and rubber bullets, clearing the grounds and summarily swearing in 9 new PR councillors to replace the now expelled rebels (Phadi, Pearson and Lesaffre 2018). In August 2019, two ANC councillors were gunned down in broad daylight while sitting in a parked car in Mokopane. The two were reportedly meant to produce a controversial report in a council sitting later that day, alleging widescale corruption on the part of a clique of councillors and businessmen in collusion with regional politicians (Sowetan 2022).

The position of Regional Secretary commands perhaps the greatest power in the REC, and a great many aspirant politicians have used the position as a springboard to a provincial and national political career. Along with power to draw up proportional representation lists for elections to local council, another key source of administrative power that the position offers is control over the processes through which delegates to leadership conferences are decided.

Respondents^x argue that the position of Regional Secretary has been used by clique of ANC strongmen to accumulate resources to fuel the creation of a power bloc within the party whose leadership has emerged from Mogalakwena politics. In addition to the selection of councillors and mayors, numerous interviewees (from across factional lines) report that the clique has secured the power to monopolise appointment decisions and the distribution of tenders at the municipality through key allies deployed at the municipality, which has allegedly been used to buy off high-ranking politicians, including the Premier. So-called “service providers” (business managers who are beneficiaries of outsourced municipal tenders) form a core source of material and coercive strength for the faction, drawn into relationships of dependence on the network for the survival of their businesses. The clique has also knitted together “strong men” from other parts of the region who exercise control over neighbouring local municipalities (News24 2021).

Control over internal election processes, the significant material resources accrued through access to municipal funds and appointments, and the use of coercion and violence have given this regional bloc inordinate powers over national structures of the ANC. The Waterberg, for instance, commands the greatest number of delegates for conferences in the province, and the ability of the REC to coordinate these towards support for a particular candidate (through various means of vote-buying, ghost branch members, disqualification of opponents etc) has seen national and provincial aspirants seeking to maintain favour with the Waterberg bloc – what some respondents described as “the tail wagging the dog”. Alienating regional power brokers can spell disaster in electoral competitions, and thus despite narratives of rooting out corruption, ANC president Cyril Ramaphosa and his allies have been slow to act against them.

There has, however, been renewed attempts under the Ramaphosa administration to remove key members of the regional bloc. The so-called “step aside” rule, introduced by the incoming ANC leadership under Cyril Ramaphosa after the 2019 Nasrec Elective Conference, has come to present a powerful challenge to regional power blocs of the ANC, including those which have dominated the political landscape of the Waterberg – and Mogalakwena Local Municipality in particular – over the past decade. Key players in the regional bloc have been issued with instructions to step aside by provincial leadership of the ANC, after they were arrested along with numerous service providers and municipal officials on charges of fraud and corruption over the course of 2022. While initially ignoring the party instruction,(News24 2022) all have since agreed to vacate their political positions until the charges are tested in court. Yet antagonism to these moves also fuels attempts to unseat Ramaphosa and his allies

through the upcoming elective conference in 2022. Once again, the relationship between regional and central power blocs remains profoundly contested, sending conflictual ripples through the terrain of national politics while sowing dysfunction and conflict at the local level.

Conclusion

This article has considered how successive attempts by the central state to reform the fiscal regime of local government has produced new forms of local and regional resistance to – and, indeed, a measure of power over – national political processes. In the late apartheid era, attempts by the central state to nominally deracialise fiscal flows and introduce a measure of redistribution across racial boundaries were met with fierce resistance from CP politicians, who resisted these measures in the name of a broader regional campaign to preserve white autonomy and local apartheid. Where the CP galvanised regional resistance against fiscal desegregation, regional political networks in the post-apartheid era have asserted resistance to central control precisely through the mechanisms which saw funds poured from the national fiscus into new multiracial municipalities. The changes brought to the local government system over the course of the 1990s and early 2000s transformed the institutional landscape and menu of possibilities and constraints which shape regional politics, centering municipalities as major sites of accumulation for regional blocs, especially in largely rural provinces like Limpopo – a dimension which underpins the contests that unfold between regional and national political and state structures in South Africa today. While the new fiscal regime sought to enhance local democracy and accountability, in many senses the opposite tendencies have been unwittingly encouraged. This evidence suggests fiscal control represents one dimension in the historical conflicts that have characterised the relationship between structures of the central state and party and those at local and regional level.

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ⁱ So called because throughout the apartheid era, there were no black townships under their jurisdiction.

ⁱⁱ This included the towns of Warmbad (now Bela-Bela), Nylstroom (Modimolle), Naboomspruit (Mookgopong) and Pietersburg (Polokwane), Tzaneen, Ellisras (Lephalale), Louis Trichardt, and Messina (Musina)

ⁱⁱⁱ Such as the Afrikaner Weerstandsbeweging (AWB) and the broader umbrella organisation of which it was a part, the Afrikaner Volksfront (AVF)

^{iv} Naboomspruit: 5 out of 9; Ellisras: 7 out of 9; Duiwelskloof 5 out of 5; Messina 4 out of 6; Louis Trichardt 6 out of 9. Pietersburg: 5 out of 9.

^v Rahab Lebelo, the first ANC deputy mayor, recalls how the white Town Clerk made even navigating the municipal buildings difficult for the new entrants. It had only been very recently that the Municipality had removed the "whites only" doors. ANC councillors were not given any induction to the functioning of the municipality, and were forced to ask black ground staff about where specific offices were. Lebelo claims that some of them were fired by the Town Clerk who had insisted that they shouldn't speak to any of the ANC councillors. (Lebelo 2020).

^{vi} Including the Municipal Structures Act of 1998; Municipal Systems Act of 2000; Municipal Finance Management Act of 2003

^{vii} The campaign to encourage residents to pay was euphemised as a social cohesion strategy with the name "Masakhane".

^{viii} The example of the Moolman Group and the wealth they built through construction tenders for the Bantustan government is highlighted by Laura Phillips (2020, 256 – 262) as one among many white businesses that profited off tenders from the Lebowa government.

^{ix} From 2010 especially, many ANC Regions in Limpopo grew increasingly rebellious in the wake of the growing fissure between Jacob Zuma's NEC, on the one hand, and the provincial power bloc of the Premier Cassel Mathale and the then ANC Youth League President, Julius Malema. Following the removal of Mathale and Malema from the circuits of provincial power, key regional politicians have worked to entrench control over municipalities in the Waterberg (Phadi, Pearson and Lesaffre 2018).

^x Given the climate of violence and division that pervades Mogalakwena, these respondents were not willing to go on record with this information, but assented to their contributions being used anonymously.