

Johannesburg Crisis Alliance

A Call to the President of the Republic of South Africa End the Coalition Chaos in the City of Johannesburg (CoJ)

The Crisis

The City of Johannesburg is in a deep crisis from which it appears unable, and incapable, of extricating itself. With each passing day, residents, workers and businesses are confronted with potholed streets, leaking water pipes, overflowing sewers, malfunctioning traffic lights and lawlessness.

Tragically the city is not safe. Lives are lost in fires and gas explosions tear apart streets.

The City has seen a gradual state of decline for some time now. The city is facing massive disinvestment by business, which is aggravating the wicked challenges of unemployment, poverty and homelessness. The anger and frustration of residents will give way to violent protests, unless something is done now.

Services to Residents

Johannesburg, once hailed as Africa's richest city, is facing a deepening struggle for survival. The dysfunction in the city is rooted in unstable coalitions and neglected maintenance, compounded by load-shedding, leaving businesses idle for hours, disrupting daily life and forcing residents to rely on ingenuity to navigate the chaos.

Dysfunctionality has also led to the flight of working families, big business and investments, especially in various inner-city nodes. For many struggling families, safe and decent accommodation in the City is unaffordable.

Even worse, City residents are battling a water crisis. Some residents in the City have had to go for weeks without water and have had to go to extreme measures to survive.

There is no accountability for this state of affairs.

Financial Decline

In the 2021/2022 financial year, the City had an unfunded budget to the value of R3.8bn. Unauthorised, irregular, fruitless and wasteful expenditure has accumulated to R21bn. The city is only able to collect 75% of its budgeted revenue.

Many paying residents still dutifully pay their bills. Over the last decade, property rates income has risen from R4bn to R13.5bn and overall revenue has grown from R26.0bn to R62.6bn.

If managed well, the city should be thriving. Why then is there a crisis? Capital expenditure has only risen from R4.6bn to R6.7bn over the decade, while employment cost for the current 40,000 employees has soared from R10,2bn (2016) to R15,3bn (2021). The staff complement in 2013 was just over 25,000. The mismatch is obvious, and residents are bearing the cost.

Coalition Chaos

Unstable coalitions since 2016 have led to ineffective decision making and institutional instability. There is excessive political fragmentation with 18 political parties represented in council. Five coalitions have seen nine mayoral changes since 2016.

Due to political opportunism, parties with single seats hold the sway of power in the City and key positions are given to Councillors who are simply unable to fulfil their functions. This coalition-chaos must be ended immediately.

Civil Society and the JCA

Concerned civil society activists, community and business leaders, as well as professionals and academics convened on 7 July 2023 and again on 7 October 2023 to discuss the crisis facing City residents.

A Johannesburg Crisis Alliance (JCA) has been set up as a broad forum of concerned organisations and individual residents. The JCA stands for proactive problem-solving and stakeholder engagement in the affairs of the municipality. The JCA is built and driven from the ground up and is a legitimate voice of stakeholders.

The JCA wants the President, and the national and provincial government to intervene urgently. A transitional forum should be established where government, business and civil society can deliberate on the process needed. The civil society organisations listed below are ready to help and co-create solutions.

Across the City, residents are rolling up their sleeves to fix what they can. We would like a robust partnership to forge workable solutions to address the crisis.

The Call

We, the organisations listed below, call on the President of the Republic of South Africa, President Cyril Ramaphosa, to save South Africa's pre-eminent city from terminal decline.

We call on the President to bring the coalition chaos in the CoJ to an immediate end by any legislative means possible. These could include placing the municipality under administration, altering the Executive model or dissolving the Council. The residents of the City hold it within their power to force a fresh election to replenish the Council and send out a strong message that the interests of the people cannot be undermined by party politics. We urge you Honourable President, please act with decisiveness to save our City. Please act now!

We hereby call on the President and the Executive Council for the Gauteng Province to do the following:

1. Declaring that the City of Johannesburg is in breach of section 152 of the *Constitution of the Republic of South Africa, 1996* ("the Constitution") in that it has failed to ensure the provision of services to its community in a sustainable manner and has failed to promote a safe and healthy environment;
2. Declaring that the City of Johannesburg is in breach of section 153(a) of the Constitution in that it has failed to structure and manage its administration, budgeting and planning processes in order to give priority to basic needs and promote the social and economic development of its community;
3. Declaring that all the jurisdictional facts for mandatory intervention in terms of section 139(1)(c) of the Constitution and sections 139 and 140 of the Local Government Municipal Finance Management Act 56 of 2003 ("the MFMA") are present at the City of Johannesburg;
4. Directing the Executive Council for the Gauteng Province, to intervene in terms of section 139(1)(c) of the Constitution read with section 139 and 140 of the MFMA and to inter alia appoint a competent and experienced administrator for the City of Johannesburg;
5. Directing the Financial Recovery Service to prepare a financial recovery plan for a mandatory intervention referred to section 139 of the MFMA, to intervene in terms of section 139(1)(c) of the Constitution read with section 139 and 140 of the MFMA and to inter alia appoint a competent and experienced administrator for the City of Johannesburg; and
6. Should the option of administration not be one that is immediately feasible, we urge that an amendment to the mayoral structure in the Council be made to reflect and enable proportional representation of majority parties within the City of Johannesburg. This may create the ability for a principle-based co-governance agreement between the largest parties;
7. That any of the above must be done with the creation of citizens' oversight bodies which will serve to improve confidence and trust in City government and lay the basis for more effective future partnerships between the City and its residents. This will be needed in the long term to tackle the myriad of crisis issues that plague the City;
8. That the Boards of City owned entities be reconstituted and new Board members be appointed through a process which includes public nominations and interviews and that all Board nominations be vetted before appointed. This will ensure more effective oversight over the billions of Rands that these Boards are entrusted with;

9. That engagement forums are set up with civil society bodies who have organised themselves to address critical issues, such as that of the water crisis; and

10. The Johannesburg Crisis Alliance will be convening its 3rd summit on the 25 November 2023. We request that a response to this memorandum be provided before that date.

We urge you Honourable President, please act with decisiveness to save our City. Please act now!

Issued by the convening organisations:

1. Ahmed Kathrada Foundation
2. The Organisation Undoing Tax Abuse (OUTA)
3. Action for Accountability
4. Defend our Democracy
5. The Johannesburg Inner City Partnership

To endorse the call, click the here: <https://forms.gle/qn3TdeAN75G7C8tZ8>