

TOWARDS THE ENTREPRENEURIAL MUNICIPALITY: A PROPOSED FRAMEWORK FOR SERVICE DELIVERY IMPROVEMENT IN SOUTH AFRICA

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ABSTRACT

Poor service delivery is a major challenge confronting many municipal authorities around the world. The challenge is even worse in developing nations, mainly because municipal authorities, like any other organisations in developing countries, are susceptible to the stress of mismanagement, economic downturns or stagnation, and resource constraints, among other factors. As a result, many municipalities struggle to improve their service delivery levels. Using a systematic review of literature, in this paper we considered a wide range of choices available to improve service delivery levels in municipalities. We observed an entrepreneurial approach to municipal management as among the possible solution to the plight of service delivery improvement in municipalities. This includes the adoption of joint entrepreneurial practices and stakeholder participation in the service delivery endeavours of municipalities. Therefore, an Entrepreneurial Service Delivery (ESD) framework for Local Municipalities is

proposed. The ESD framework is built on our understanding of municipal management frameworks, service delivery challenges, service improvement options, and the identification of possible entrepreneurial opportunities that municipalities can pursue in conjunction with the relevant community forums. Mutual responsibility and beneficent guidelines are also provided for both municipalities and community forums. This framework and the insights presented in this paper are valuable in guiding municipalities and practitioners on how to improve service delivery levels.

Keywords: Entrepreneurial municipality, service delivery, entrepreneurial service delivery framework, municipalities.

INTRODUCTION

Local municipalities around the world are marred by widespread service delivery challenges (Kanyane, 2014). Service delivery issues include outcries regarding poor infrastructure, lack of basic services, i.e. clean

water, sanitation, electricity, and health care (Madzivhandila & Asha, 2012). Furthermore, the lack of economic opportunities (business and job opportunities) to sustain the livelihoods of all citizens in local municipalities is a cause for concern (Mashamaite, 2014). These challenges emanate from poor planning, lack of institutional capacity to deliver, financial management challenges, maladministration, and corruption, especially in developing countries such as South Africa (Chipu, 2011; Kanyane, 2014). Several decades of attempts to address these sources of challenges have yielded no desirable results, thus calling for more innovative approaches.

While several attempts to address the challenges of service delivery are apparent, the challenges persist. These attempts include the introduction of integrated development plans (IDP) (Madzivhandila & Asah, 2012) and local economic development (LED) (Malefane & Mashakoe, 2008). Both IDP and LED have been criticised for their failure to forge active community participation in the development agenda, thus perpetuating implementation challenges (Kanyane, 2014; Mahlo, 2017). Mahlo (2017) revealed the implementation challenges associated with IDP and LED as consisting of lack of local government collaboration with the private sector and community sectors, lack of appropriate structures for the full implementation and success of LED initiatives, inadequate funding for LED programmes, and capacity constraints emanating from lack of education and ultimately lack of skills. Furthermore, Mbecke (2015) opines that other government strategies to improve service delivery such as the *Batho Pele* (People First) principles, the Service Charter, the Service Standards documents, and the Service Delivery Improvement

Plans have not been able to address the continuing service delivery challenges in local municipalities.

In response to the failures of IDP, LED, *Batho Pele*, Service Charter documents, and Service Improvement Plan, studies such as Mbecke (2015) and APSE (2012) proposed the concept of municipal entrepreneurship to address service delivery challenges in municipalities. The concept of municipal entrepreneurship relates to the introduction of entrepreneurship practices such as creativity and innovation in pursuing the mandate of municipal authorities. This includes the municipality engaging in entrepreneurial activity as well as mobilising its community members to engage in entrepreneurial activity (Madzivandila & Musara, 2020; Mbecke, 2015). In the United Kingdom, APSE (2012) reported that innovation and entrepreneurship play a significant role in the service delivery improvement of municipalities. Similar sentiments were echoed by Mbecke (2015), who proposed the adoption of entrepreneurship in local municipalities in South Africa.

Since the works of APSE (2012) and Mbecke (2015), there seems to be slow traction in the literature advancing the role of entrepreneurship and entrepreneurial practices in improving service delivery in local municipalities. Against this background, this paper is a systematic review of the literature to advance and further expose the role of entrepreneurship as a panacea to the service delivery challenges of local municipalities. Informed by our systematic review of literature, this paper proposes an Entrepreneurial Service Delivery (ESD) framework to address service delivery challenges in local municipalities of South Africa.

In presenting arguments for the ESD framework, we begin by unpacking the background to municipal management and service delivery in South Africa. This is followed by a presentation of our systematic literature review methodology. The findings of this study are then presented. This is followed by a presentation of the ESD framework. Lastly, the discussions and conclusions on the proposed ESD framework are presented. The following section is a discussion of the background to the municipal and service delivery issues in South Africa.

BACKGROUND TO MUNICIPAL MANAGEMENT AND SERVICE DELIVERY IN SOUTH AFRICA

South Africa held its first democratic local government elections in 2000. In line with the international trend, local government in South Africa was established as a third and independent sphere of government. In most developing countries, there has been a move away from macro-level development planning and management towards a micro-level people-centred development approach (Theron, 2009). The responsibility of promoting and rendering local socio-economic development and facilitating community participation now lies with the local municipal spheres (South African Local Government Association (SALGA), 2015; Mthethwa & Jili, 2016; Ndevu & Muller, 2017), that is, most national and central governments have transferred both power and resources to the provincial and local spheres to facilitate not only development planning but also implementation of projects that bring about socio-economic change to the lives of the people (Madzivhandila & Asha, 2012; Madumo, 2015). In South

Africa, local government is seen as a sphere of government capable of handling the tasks of delivering the constitutional imperatives in post-apartheid South Africa and bringing transformation to the lives of the formerly marginalised population. Because of its proximity to the people at the grassroots level, local government deals directly with the communities' socio-economic issues and challenges (Mthethwa & Jili, 2016; Ndevu & Muller, 2017). Furthermore, local government in South Africa is assigned the crucial role of rebuilding local communities and environments, as the basis for a democratic, integrated, prosperous, and truly non-racial society. In other words, local government forms that part of the public sector that is closest to citizens and is therefore indispensable in its role of providing essential goods and services, and developing the local area. (Madzivhandila & Asha, 2012; Madumo, 2015; SALGA, 2015). The establishment of local government in South Africa is in line with the Constitution of the country and other legislation which guide the sustainable provision of goods and services in the growing population.

Legislation such as the Constitution (Act 108 of 1996), White Paper on Local Government, 1998, Municipal Systems Act (Act 32 of 2000), Municipal Finance Management Act (Act 56 of 2003), and the Intergovernmental Relations Act (Act 13 of 2005), to mention a few, provide frameworks within which local government operates and functions. On one hand, the Constitution mandates local government to provide a democratic and accountable government for local communities, to ensure the provision of services to communities in a sustainable manner, to promote social and economic development,

and a safe and healthy environment, and to encourage the involvement of communities and community organisations in matters of local government (RSA, 1996). On the other hand, the Municipal System Act introduced the requirement for municipal planning to be developmentally oriented to achieve the objectives contained in the Constitution and, together with other organs of state, contribute to the progressive realisation of the fundamental rights linked to the environment, property, housing, health, water, social services, and education (RSA, 2000). The Act also requires that municipal integrated planning be aligned with that of other municipalities, and provincial and national governments through a system of cooperative governance. The Municipal Finance Management Act provides for securing sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; for establishing treasury norms and standards for the local sphere of government (RSA, 2003), while the Intergovernmental Relations Act outlines processes to promote peace and harmony among the three spheres of government (RSA, 2005). All this legislation provides guidelines that assist in the processes of local government activities.

Some of the main activities of local government include planning, budgeting, and implementation of service delivery (Ndevu & Muller, 2017). Mthethwa and Jili (2016) highlight that, primarily, the national government in South Africa expects strong, innovative, responsive and vibrant local governments to deliver the quality of local leadership and public services that their communities need. The local government should create an environment for efficient

and effective delivery of services to communities within a specific jurisdiction. That is, municipalities should play an important role in delivering sustainable basic services to the communities they serve. To do this, municipalities are, for example, expected to develop an Integrated Development Plan (IDP), which is a five-year municipal strategic vision. The IDP is regarded as a single inclusive and strategic plan that links, integrates, and coordinates a municipality's sector-specific plans, and aligns the resources and capacity of the municipality to its overall development objectives (RSA, 2000). The aim of the IDP is also to holistically plan for and to address a variety of challenges such as developing sustainable settlements that meet the needs of the people. Furthermore, the IDP provides for planning and implementation of municipal development strategies, the establishment of formal participatory structures such as ward committees, the involvement of the community in key decision-making processes, and the encouragement of community involvement in financial matters of the municipality, including the development of municipal budgets (Madzivhandila & Asha, 2012). Other activities expected from local government include municipal performance management, monitoring and evaluation, and implementation of initiatives such as Local Economic Development and Municipal Infrastructure Grants (Madumo, 2015; SALGA, 2015). Implementation of all these activities is intended to bring about sustainable and reliable delivery of services to communities.

The most expected services to be delivered by the local government include, but are not limited to, access to potable water, proper sanitation, a sustainable electricity supply,

and regular waste removal (SALGA, 2015; Mthethwa & Jili, 2016; Ndevu & Muller, 2017). The efficient provision of these services contributes immensely towards enhancing the community's quality of life and local democracy, which is a step in the right direction towards cementing South Africa as a developmental state. The ideas behind developmental states emerged from East Asia during the 20th century (Mthethwa & Jili, 2016). In South Africa, local government objectives include providing a democratic and accountable government, providing services in a sustainable manner, and promoting social and economic development by engaging communities (SALGA, 2015). Service delivery in local government is also facilitated through the implementation of projects to improve the welfare and well-being of the communities in their area of jurisdiction. Madzivhandila and Asha (2012: 374) noted that "...there is evidence of some success, especially in the role of local government in improving the nature and extent of basic public services at grassroots level". In most urban municipalities there is an indication of improved provision of potable water, electricity, roads, and waste management, as well as other infrastructural services. However, most rural municipalities are faced with a variety of challenges in executing their mandated tasks. This points to the need for contemporary approaches (such as entrepreneurial approaches) to address the challenges in local municipalities.

MATERIALS, METHODS, AND APPROACH

We conducted a systematic literature review and content analysis on how an entrepreneurial approach can be used to address the

service delivery challenges facing municipalities. The study was designed to uncover the methods and approaches through which entrepreneurship can be integrated into the day-to-day operations of municipalities to improve service delivery. Four research questions guided our literature review and content analysis. These are:

- What is the nature and scope of municipality management concerning service delivery?
- What entrepreneurial approaches are available to improve service delivery levels in municipalities?
- What are the entrepreneurial best practices being used by other municipalities around the world?
- How can municipalities in South Africa adopt entrepreneurial best practices to improve their service delivery?

To address these questions, we searched the Google Scholar database for the period between 1994 until 2021. We used a systematic and repeatable approach to identify relevant publications covering the contents of interest. This included the use of precisely selected terms that allowed for a more inclusive search of articles in the database. For replicability, Table 1 on the following page provides the key terms, keywords, and Boolean expressions used to query the literature.

The Google Scholar search using the Boolean expressions presented in Table 1, returned 17 300 publications that met our initial search criteria. For inclusion in our

TABLE 1: Key Terms, Key Words, and Boolean Expressions

TITLE-ABS-KEY ("entrepreneurial practices*" OR "entrepreneurship*" AND municipality*) AND
TITLE-ABS-KEY (service delivery*) AND
ALL (method OR survey OR questionnaire OR study OR research OR evaluation OR assessment OR analysis) AND
LIMIT-TO (LANGUAGE, English)

Source: Authors

TABLE 2: Qualitative Goodness Criteria

Criteria	Description
Relevance	The publications address issues of interest
Research rigor and credibility (Validated)	The publication is validated through a peer-review process
Timeliness	The publication is within the timeframe considered for this study (1994-2021)
Meaningful coherence	Interconnections between literature, research questions/foci, findings, and interpretation

Source: Authors

sample, we further applied the criteria of qualitative goodness presented in Table 2 (Tracy, 2010).

In addition, legislative and other relevant government documents were considered to provide the contextual dynamics related to municipality background information and the legislative framework within which municipalities operate. Applying the scanning reading technique to these documents and following the criteria presented in Table 2, 53 documents qualified to be included in our study for further content analysis. The following section provides the findings of our analysis.

FINDINGS AND DISCUSSIONS

The findings presented in this section cover the nature of municipal management and the service delivery challenges experienced by

South African local municipalities. In addition, drawing from both South African and international literature, service improvement options and entrepreneurial approaches to improve service delivery are presented. The tabulation method is used to illustrate the key findings and supporting sources.

Service Delivery Challenges

The most visible indication of challenges faced by municipalities is the spate of service delivery protests common in different regions in South Africa (Ndevu & Muller, 2017). Consequently, there is strong evidence of a lack of public confidence in the local government system (Mthethwa & Jili, 2016; Ndevu & Muller, 2017). The local government is constantly overwhelmed by infighting over political appointments, lack of capacity, and lack of accountability. The growing challenge of inequality and unequal

access to resources has also been identified as a major challenge. Despite being a constitutional democracy, inequality among South Africans is increasing every year (Madumo, 2015; SALGA, 2015; Mthethwa & Jili, 2016). Other challenges faced by the local government include "lack of knowledge; lack of proper communication strategy between politicians in municipalities with officials and communities; lack of capacity about skills and grasping policy processes; self-enrichment by both politicians and officials; and lack of resources" (Ndevu & Muller, 2017:16). The challenge of financial sustenance is mostly created by the situation where municipalities fail to institute proper mechanisms to deal with financial misuse and corruption. Although lack of funding is a major issue in local government, the situation is worsened by unethical practices (Madumo, 2015). "It is a common practice in most municipalities that the process of appointing service providers is influenced by politicians, thereby influencing the accurate supply chain processes" (Madumo, 2015:163). Other challenges include the inability of municipalities, particularly the rural ones, to collect their revenue, inadequate implementation of monitoring and evaluation measures, and shortage of requisite

skills to facilitate a vibrant modern service delivery process.

Service Delivery Improvement Options

According to Makanyeza, Kwandayi and Ikobe (2013), improving service delivery is primarily about improving the effectiveness and efficiency of how services are delivered. This paper discusses five possible options to improve service delivery by any local municipality. These options are:

1. Adjustment to customer base approach.
2. Improving the way municipalities disseminate available information.
3. Capacitating its human resources.
4. Improving revenue collection and debt management.
5. Creating an exit strategy for its indigent individuals and households.

These service delivery improvement options, major arguments, and supporting sources are presented in Table 4 on the next page.

TABLE 3: Service Delivery Challenges

Service Delivery Challenges	Selected Sources
Lack of access to basic services (Inequality)	Madumo, 2015; SALGA, 2015; Mthethwa and Jili, 2016
Infighting over political appointments	Mthethwa and Jili, 2016; Ndevu and Muller, 2017
Lack of capacity	Madumo, 2015; SALGA, 2015
Lack of accountability	Ndevu and Muller, 2017
Lack of financial sustenance	Madumo, 2015
Unethical practices	Madumo, 2015

Source: Authors

TABLE 4: Service Delivery Improvement Options

Service Delivery Improvement Options	Selected Sources
Adjustment to customer base approach	Joseph, 2002; Olomi & Rutashobya, 2002; Fourie & Opperman, 2011; Rahman, Sharma & Mehta, 2012; Munyai, 2017 and Rwekila & Mangali, 2021
Improving the way municipalities disseminate available information	Makanyeza, Kwandayi & Ikobe, 2013
Capacitating its human resource	Joseph, 2002; Chauke, 2016; Manyaka, 2014 and Munyai, 2017
Improving revenue collection and debt management	Dzansi & Dzansi, 2010

Source: Authors

Adjustment to Customer-Based Approach

For a municipality to improve its service delivery, it must consider the residents it serves as clients, and this will lead to a shift from service delivery to customer service. Customer service is defined as "the provision of service to customers before, during, and after a purchase" (Kurtenbach, 2000). For Fourie and Opperman (2011:237), customer care is about the quality of services rendered by the municipality to its residents. In other words, customer care is about how a municipality deals with its customers during its operations. Therefore, like in any business, a municipality's customer care service management affects its performance (Rwekila & Mangali, 2021) and customer service management cannot be distinguished from service quality because the quality service makes the customers satisfied (Rahman, Sharma & Mehta, 2012). Munyai (2017) confirms that municipal service delivery always improves once it has very good customer care. Hence, improving service delivery requires local government to develop a new approach where residents are viewed as customers (Joseph, 2002). Thus, the birth of good service quality, speed and responsiveness

will make the municipality perform well and satisfy its residents (Joseph, 2002; Olomi & Rutashobya, 2002; Munyai, 2017).

Improving on Available Information about its Residents

One of the options to improve service delivery suggested by Makanyeza, Kwandayi and Ikobe (2013) is the adoption of modern technologies. Municipalities could use Emerging Digital Technologies such as the Internet of Things (IoT), Artificial Intelligence (AI), and Distributed Ledger Technologies (DLTs) to be better acquainted with their clients in terms of who can and who cannot afford a particular service. Therefore, there is a need to improve on available detailed information about residents. Although it requires a great deal of administrative work, the availability of such information at the individual and household level will help the local government to improve its service delivery.

Improving Revenue Collection and Debt Management

For a municipality to be successful, the revenue collection challenge needs to be

adequately addressed to minimise the gap between revenue collected and the municipal expenditure (Chauke, 2016). Once good services are delivered to residents, municipalities should concurrently ensure that they have an effective revenue collection system in place to enable them to undertake the functional responsibilities assigned to them (Manyaka, 2014). According to Munyai (2017), residents are often not motivated to pay for municipal services due to poor customer care. This often leads to a serious financial burden on the side of the local government. As a result, it ends up causing long term unsustainability due to the municipality struggling with its operations and maintenance of infrastructure because of lack of adequate finances (Joseph, 2002). Therefore, novel approaches to revenue collection and debt management are among critical options to improve service delivery because the financial viability of municipalities will always depend on them (Manyaka, 2014). In addition, this strategy requires the establishment of a system for operational efficiency and billing accuracy which, in the long term, will lead to local government sustainability.

Enhancing Internal Capacity or/and Capacitating its Human Resource

According to Dzansi and Dzansi (2010), a good quality municipal service delivery depends positively on the level of service behaviour of employees, the level of employee commitment, and employees' level of organisational commitment. In addition to these, the level of competence and qualifications influence the quality of service delivery. Therefore, the municipality should continuously and strategically improve on its internal capacity through training, empowerment,

and recruitment of needed skills to meet its residents' service delivery expectations. The strategy of capacitating municipal human resources must be long-term and multifaceted. This is because it is fundamentally about changing behaviour and attitudes which is both difficult and time-consuming.

Creating an Exit Strategy for its Indigent Individuals and Households

A municipality like any other sphere of government should aim for full employment; meaning to help all its citizens including indigents to become economically active. Each municipality has specific assets that in most cases are not being utilised to their full potential. A municipality can act as an agent to manage and support unused assets to boost the production of the local economy. Through partnerships with institutions of higher learning, the municipality can run several entrepreneurship schemes or workshops for local indigents. It can also run training and capacity building for emerging local businesses, which will improve their performance. This will lead to economic growth in the area. Thus, more job opportunities are created for indigent individuals, which will increase the municipal tax base to address social-economic challenges.

ENTREPRENEURIAL APPROACHES FOR SERVICE DELIVERY IMPROVEMENTS

Several entrepreneurial opportunities to improve service delivery in local municipalities exist. These include investments in social entrepreneurship, sectoral targeting approaches, rural tourism opportunities, investment in frugal innovations,

entrepreneurship development initiatives, and entrepreneurial leadership as shown in Table 5 and discussed thereafter.

Social Entrepreneurship

Several studies suggest that the nature and scope of social entrepreneurship place it as one of the best entrepreneurial approaches

to improve service delivery in local municipalities (for example see, Becker, Brencis, Šina & Brencis, 2020; Bozhikin, Macke & da Costa, 2019; De Leeuw, 1999; Korosec & Berman, 2006; Becker, Kunze & Vancea, 2017). Social entrepreneurship involves individuals and organisations engaging in private business initiatives aimed at addressing the pressing challenges in their communities.

TABLE 5: Entrepreneurial Approaches for Service Delivery Improvement

Entrepreneurial Approach	Major Argument(s)	Selected Sources
Social entrepreneurship	Social entrepreneurs fill the gap between public and private sector service delivery activities	Becker, Kunze & Vancea, (2017) Bozhikin, Macke & da Costa, (2019) Brencis, Šina, & Brencis, (2020) De Leeuw, (1999) Elmes, Justo, Whiteman, Hersh & Guthey, (2012) Korosec & Berman, (2006)
Sectoral targeting approaches	A targeted approach to support and invest in business opportunities that resonates with the nature and endowments of specific local municipalities can go a long way in improving service delivery	Krivasonoka, & Zvirbule, (2016) Rogerson, (2006) Rogerson, (2018)
Rural tourism opportunities	Rural tourism generates income for the municipalities and attracts investments which bring along infrastructure development opportunities for local municipalities	Briedenhann, & Wickens, (2004) Dimitrovski, Todorović, & Valjarević, (2012) Kastenholz, Carneiro, Marques, & Lima, (2012) Šimková, (2007)
Investment in frugal innovations	Local municipalities can leverage frugal innovations that support and are supported by the resource endowments and the needs of the local communities	Booyens, (2011) Hossain, (2020) Khan, (2016) Pasquini, Ziervogel, Cowling & Shearing, (2015) Schaffers, et al., (2007)
Entrepreneurship development initiatives	Entrepreneurship development within local municipalities creates self-sustenance among the citizens thus reducing the dependence burden on the shoulders of the municipality	Gore, (2010) Kamara, Leonard, & Haines (2017) Madzivhandila, & Musara, (2020) Rogerson, & Rogerson (2012)
Entrepreneurial leadership in local municipalities	Entrepreneurial leadership has a positive role in service delivery improvements of local municipalities	APSE (2012) Mbecke, (2015) Musara & Nieuwenhuizen, (2020) Aarsaether, & Ringholm (2011) Parente, , ElTarabishy, Vesci, & Botti, (2018)

Source: Authors

Its very nature is social mission-driven businesses (Dobele & Dobele, 2014). Studies such as Brencis *et al.* (2020) reveal that the practice of social entrepreneurship provides a way of shared responsibility between the public and private sector in that social enterprises fill the gap between public and private sector activities.

The nature of social entrepreneurship aligns with the mandates of local municipalities as drivers of sustainable community development. Municipal authorities with a low capacity to deliver services can therefore be cushioned by the services of social entrepreneurs who apply efficient business principles towards addressing social problems in their communities (Becker, Kunze & Vancea, 2017; Bozhikin, Macke & da Costa, 2019). Furthermore, social entrepreneurship is often practised by people who have long-standing ties with the community (Korosec & Berman, 2006), thus their first-hand understanding and bonds with the communities enable them to achieve the much-needed efficiency and commitment to effective service delivery. Korosec and Berman (2006:457) emphasise this benefit by stating that, "In the end, communities' benefit from having a cadre of energetic social entrepreneurs who bring solutions to the common problems they face". It is therefore in the best interests of local municipal authorities to support and encourage social entrepreneurship in their community.

Local municipalities can invest in and/or support social entrepreneurship projects to improve their service delivery (Macke & da Costa, 2019). This view is widely evident in the studies reviewed for this study. Korosec and Berman (2006) observe that social

entrepreneurship efforts such as entrepreneurial activities related to addressing public health, environmental protection, and public safety are key to uplifting communities. Similarly, De Leeuw (1999) reveals the role of social entrepreneurship in developing healthy local municipalities. Other social entrepreneurship activities to address service delivery challenges include teaching entrepreneurship to community members (Elmes *et al.*, 2012) and community energy projects (Becker, Kunze & Vancea, 2017).

Municipal government authorities can support and encourage social entrepreneurship through raising awareness of the social problems in the community, facilitating access to resources by social entrepreneurs as well as coordinating the efforts of social entrepreneurs to achieve efficient service delivery in the communities they govern (Korosec & Berman, 2006). APSE (2012) concludes that municipalities that operate on the ethos of social entrepreneurship can achieve greater success in the sense that income generated can be re-invested in local service delivery and consequently expand the service delivery scale and quality.

Sectoral Targeting

A targeted approach to support and invest in business opportunities that resonate with the nature and endowments of specific local municipalities can go a long way to improve service delivery (Rogerson, 2018). This view is widely evident in several sources reviewed for this paper. For example, Rogerson (2018) argued for a pro-poor sectoral targeting approach in which sectors that address the plights of the poor are prioritised and supported to improve service delivery in

communities. Rogerson (2004) noted the need for "place entrepreneurialism", a phenomenon involving the promotion and support of localities as well as small, medium and micro-enterprises (SMMEs). This includes creating competitive spaces for production, consumption and information processing activities. The establishment of territorial production systems and industrial development zones linked to local municipalities created an impetus for entrepreneurial activity in local municipalities, which in turn led to improved service delivery. This entrepreneurial approach has been noted to have a significant potential impact in improving service delivery in municipalities in countries such as Brazil (Martins *et al.*, 2019) across Europe and the United States of America (APSE, 2012).

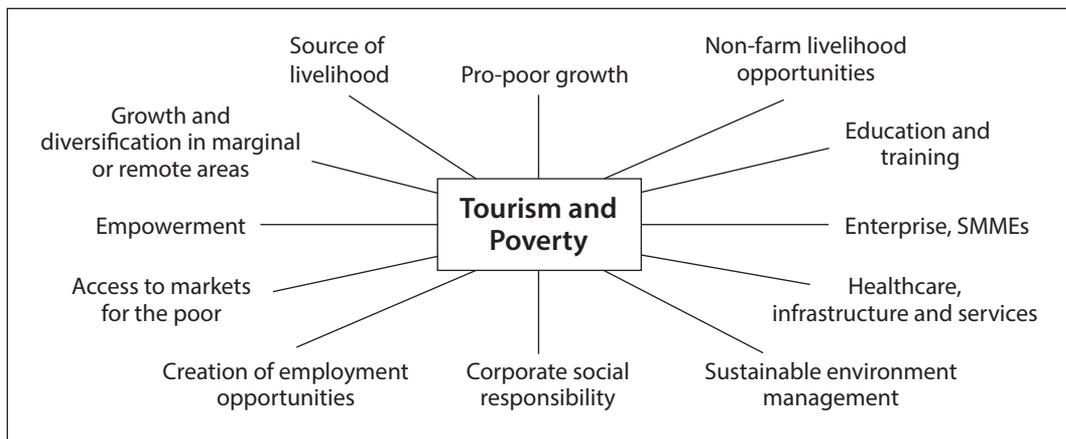
Rural Tourism

There are several rural tourism opportunities in local municipalities in South Africa. These opportunities not only generate

income for the municipalities but also attract investments that bring along infrastructure development opportunities for local municipalities. Furthermore, rural tourism has been noted to have a significant impact in alleviating poverty in local municipalities (Briedenhann & Wickens, 2004; Šimková, 2007; Rogerson, 2006). Rogerson (2006) explains that rural tourism plays a significant role in addressing the service delivery challenges in South Africa. Internationally, the success stories of rural tourism were noted in Portugal (Kastenholz *et al.*, 2012) and Serbia (Dimitrovski *et al.*, 2012). Several benefits from rural tourism are noted in Figure 1.

Benefits of rural tourism such as growth and diversification of rural communities, as a source of livelihood, sustainable environment management, and empowerment opportunities offload some of the service delivery burdens from the shoulders of local municipal authorities. Promoting rural tourism also creates opportunities for entrepreneurship development through emerging SMMEs and

FIGURE 1: Benefits of Rural Tourism



Source: Rogerson (2006:44)

the resultant access to markets. Therefore, it is in the best interests of local municipal authorities to engage in activities that promote and support rural tourism. Such activities may include increasing the visibility of cultural sites and events which are critical for the success of rural tourism (Dimitrovski *et al.*, 2012; Rogerson, 2006; Šimková, 2007).

Frugal Innovations

Local municipal authorities can leverage frugal innovations that support and are supported by the resource endowments and the needs of the local communities. Frugal innovations are "good enough", affordable innovations that meet the needs of resource-constrained consumers (Khan, 2016). These innovations have been noted to have significant impacts on the lives of local communities that lack enough resources to afford the advanced innovations. Due to their suitability for disadvantaged or low-income people who characterise most people living in local municipalities, frugal innovations can go a long way to improving livelihoods in local municipalities (Schaffers *et al.*, 2007). Hossain (2010) observes that various frugal innovations such as the Mitticool clay fridge, sanitary pad making machine, milking machine, cotton stripping machine, bamboo splint making machine, among others, are good examples of frugal innovations that have been useful in improving service delivery and transforming lives in rural/marginalised communities in countries such as India, Bangladesh and some parts of the United Kingdom. These frugal innovations have proven effective in these countries (Hossain, 2010, Schaffers *et al.*, 2007).

Low-income countries such as South Africa and the rest of the African continents can

draw lessons from frugal tools such as the adoption of frugal innovation technologies, for example, water-powered turbines to generate the much-needed energy sources, low-cost building technologies such as using farm bricks for housing, etc. to uplift the living conditions in local communities and improving service delivery. In South Africa, Booyens (2011) noted that SMMEs can be an engine to drive innovations in local communities and therefore can be active players in setting up these much-needed frugal innovations. This signals the need for entrepreneurship development in local communities to improve service delivery.

Entrepreneurship Development

Entrepreneurship development within local municipalities creates self-sustenance among the citizens, which reduces the dependence burden on the shoulders of the municipality. The notion of entrepreneurial development has been noted to play a significant potential role in the service delivery of local municipalities in South Africa (Madzivhandila & Musara, 2020; Rogerson, 2012). Bjorna and Aarsaether, (2010) reveal that in the Nordic countries, financial and organisational resources are offered in even the smallest rural municipalities and have resulted in significant service delivery improvements. Madzivhandila and Musara (2020) opine that in South Africa, significant service delivery improvement could be achieved if local municipalities could coordinate and support entrepreneurial activities in their communities. Similar assertions were expressed in Mbecke (2015), who emphasised the need for an entrepreneurial approach to municipal management in South Africa.

This entrepreneurial approach to municipal management includes support for cultural activities in municipalities, providing financial support for SMMEs, providing the space and market access for SMMEs, providing business development services such as training and mentorship (Kamara *et al.*, 2017; Rogerson & Rogerson, 2012), as well as fostering a culture of innovation and entrepreneurship within the municipality (Bjorna & Aarsaether, 2010; Gore, 2010). The culture of innovation should not only be focused on the community members, but also employees of the municipal authorities who are expected to be innovative and come up with innovative ideas to improve service delivery. However, for entrepreneurship development initiatives and entrepreneurship culture to thrive, entrepreneurial leadership is paramount (Bjorna & Aarsaether, 2010; Musara & Nieuwenhuizen, 2020).

Entrepreneurial Leadership in Local Municipalities

The role of entrepreneurial leadership in improving service delivery in local municipalities has been expressed in extant literature (Aarsaether & Ringholm, 2011; APSE, 2012; Bjorna & Aarsaether, 2010; Mbecke, 2015; Musara & Nieuwenhuizen, 2020). Entrepreneurial leadership is shown through vision, communication, strategic positioning, mobilisation of resources, and a commitment to provide excellent service to humanity (Musara & Nieuwenhuizen, 2020; Parente *et al.*, 2018). In this regard, Bjorna and Aarsaether (2010) emphasise that the municipal leaders ought to deploy strategies of network governance, whereby the boundaries between public and private sector activities are collapsed to promote

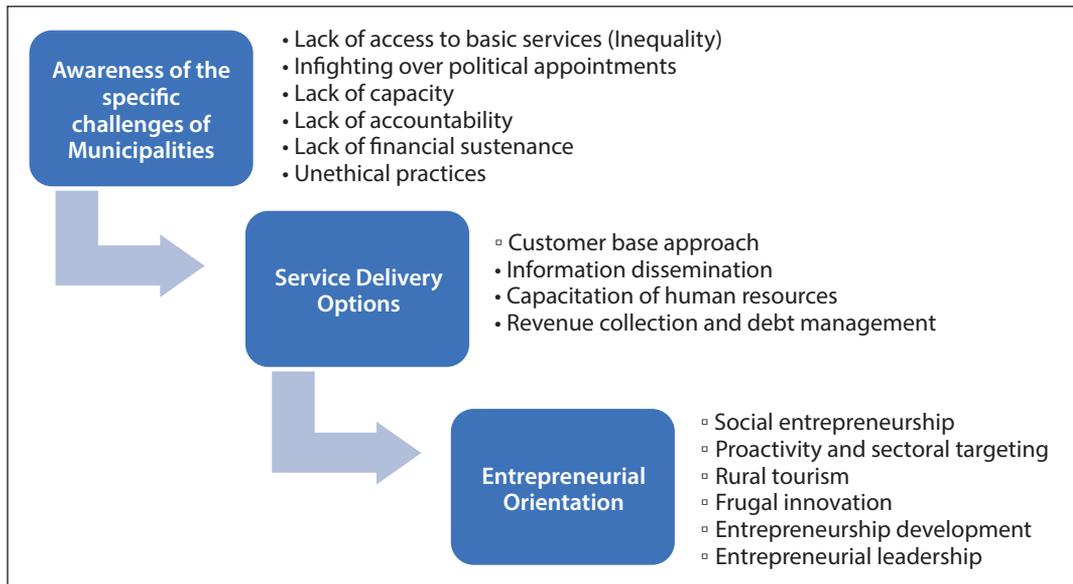
inclusion and a collective vision for the broader community.

In their study of four rural municipalities in Norway, Bjorna and Aarsaether (2010) observe that municipalities that exhibit entrepreneurial leadership and entrepreneurial strategies were very successful. In the United Kingdom, a report by APSE (2012) provides several entrepreneurial leadership success stories/case studies in rural municipalities. APSE (2012:30) concludes that municipalities, "...should use innovation as a catalyst to build on its community leadership role, delivering wider social, economic and environmental benefits". This call for entrepreneurial leadership and the resultant entrepreneurial municipalities is even more relevant in South Africa, where most poor service delivery challenges are attributed to poor leadership and mismanagement of resources in local municipalities (Mbecke, 2015; Sekhampu, 2010). It is with this in mind that an entrepreneurial service delivery framework guided by literature, contextual realities, and international experiences is paramount for service delivery improvements in South Africa.

AN ENTREPRENEURIAL SERVICE DELIVERY FRAMEWORK

The proposed Entrepreneurial Delivery Conceptual Framework presented in Figure 2 on the next page brings together the findings of our systematic literature review. This conceptual framework provides a springboard for further investigations into how to employ an entrepreneurial approach to the service delivery conundrum facing many local municipalities in South Africa. However, the framework, including the list of identified service delivery challenges, service delivery

FIGURE 2: Proposed Entrepreneurial Service Delivery Framework



Source: Authors

options, and entrepreneurial orientation approaches, is not exhaustive. More specific challenges and evolving challenges in municipalities could be added. Similarly, more service delivery options, and entrepreneurial orientation approaches may be revealed through empirical investigations.

Our proposed framework suggests that effective entrepreneurial service delivery begins with an in-depth and intimate understanding of the specific challenges of local municipalities. An understanding of challenges is at the heart of service delivery improvement. This understanding of service delivery challenges guides the determination and consideration of the service delivery options for municipalities. In line with our initial proposition set at the beginning of this paper, entrepreneurial-oriented approaches could be considered in implementing the identified service delivery

options. The starting point of this framework, understanding challenges in local municipalities, is in line with the design thinking approach (see Chou, 2018), an approach to entrepreneurship and innovation that is premised on the realisation that effective solutions are those that are founded on, fully informed by and tailor-made to address the specific needs of the targeted stakeholders.

Considering that this paper is based on a systematic literature review, further empirical investigations are necessary. Empirical investigations could be conducted to address fundamental questions such as:

- What are the specific challenges experienced in certain municipalities? Considering the specific locations, different resource endowments, historical-cultural contexts, and type of municipality.

- Which service delivery options could best fit certain municipalities?
- How can the entrepreneurial approaches be infused into the service delivery options available for local municipalities?
- How effective are certain entrepreneurial orientations in improving service delivery?

Several other empirical research questions could be considered to further our quest for addressing the service delivery conundrum that is ravaging several local municipalities in South Africa. Considering various successful international entrepreneurial orientation experiences in local municipalities, the possibility of lasting solutions to the service delivery challenges in local municipalities in South Africa is not far-fetched.

CONCLUSION

In this article an entrepreneurial service delivery framework for municipalities in South Africa was developed and presented. The proposed framework is based on a systematic literature review on how an entrepreneurial approach can be used to address the persistent service delivery challenges facing municipalities. In addition, service delivery improvement options and entrepreneurial approaches for service delivery improvement were explained to provide clarity on how the proposed framework would lead to the efficient and effective delivery of services to communities within a specific jurisdiction. Furthermore, an entrepreneurial municipality is not only a proposition, but also a solution to the repetitive failure over the years by the local government in terms of service delivery in South Africa. Therefore,

in light of the findings and discussion and entrepreneurial service delivery framework, the following recommendations are made:

- Municipalities should portray the members of their communities as customers who have the right to choose what type of services be delivered to them.
- For a municipality to succeed in terms of service delivery, it should progressively plan and manage economic development in such a way that it attracts investments and job creation.
- Good planning leads to the provision of strategic infrastructure, human capital, and governance systems that are needed to support local economic development. To achieve this in the long-run, natural resources, food, energy, capital, skills, and technologies are required to maintain the local economy.
- Municipality economic competitiveness depends on geographical location, territorial dimension, and natural resources endowment. Therefore, a municipality needs to assess which sectors are its specialty.
- A holistic innovation helps the municipality to provide up-to-date services. Therefore, an entrepreneurial municipality should use technology to collect data for efficient use to deliver sustainable services to the citizens.

While the article makes recommendations drawn from findings, it is recommended that further empirical investigations should be conducted on how the entrepreneurial approaches can be infused in the service delivery options available for local municipalities

and on how effective certain entrepreneurial orientations are in improving service delivery.

Considering the success stories of entrepreneurial approaches in improving service delivery in countries such as Brazil, the United Kingdom, and the United States of America, among others, the introduction of entrepreneurial approaches to services delivery in South Africa is long overdue. It is without doubt that the application of entrepreneurial approaches in local municipalities is possible and that it could yield positive outcomes. Consequently, our proposed ESD framework that is rooted in understanding

service delivery challenges and supported by suggested service improvement options coupled with entrepreneurial approaches could be an ideal solution to improve and sustain service delivery in local municipalities of South Africa. At the same time, the growing momentum of entrepreneurship development initiatives and the resultant growth of entrepreneurial communities in South Africa suggest that the country could be a laboratory for the evolution and testing of more entrepreneurial approaches to service delivery improvement that potentially will have relevance for other developing nations.

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