

# The Evolution of South Africa's fiscal ecosystem: 1996-2025

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December 2025

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## LIST OF ACRONYMS

<b>AGSA</b>	Auditor General of South Africa
<b>ANC</b>	African National Congress
<b>CSO</b>	civil society organization
<b>ECD</b>	early childhood development
<b>GDP</b>	gross domestic product
<b>MBAPA</b>	Money Bills Amendment Procedure and Related Matters Act
<b>NEDLAC</b>	National Economic Development and Labour Council
<b>NSFAS</b>	National Student Financial Aid Scheme
<b>PAIA</b>	Promotion of Access to Information Act
<b>SCOPA</b>	Standing Committee on Public Accounts
<b>TAC</b>	Treatment Action Campaign
<b>VAT</b>	value-added tax

## EXECUTIVE SUMMARY

The adoption of the new Constitution in 1996 preceded a period of significant reform that left South Africa as a global face of good fiscal institutions in the developing world. This image would however be much tarnished as fiscal accountability weakened in subsequent years, and the state became vulnerable to corruption. This paper draws on literature and interviews with stakeholders to explore the importance of formal and informal accountability relationships, the influence of political changes on fiscal accountability, and the roles of various actors in establishing and defending, or impairing, an accountable and equitable fiscal ecosystem. In conclusion, it offers lessons and recommendations for enhancing transparency, equity, and accountability in the management of the public finances.

### *The fiscal stage and its actors*

South Africa is a constitutional democracy with a parliamentary system of government. The 1996 Constitution sets transparency and public participation as key principles of government. Despite the Constitution establishing provincial and local government as autonomous spheres of the government, the fiscal system is characterized by highly centralized revenue collection and strong National Treasury oversight. Authority to issue debt is also centralized.

Parliament's fiscal oversight role is enacted through the parliamentary committee system, but ultimately its hard accountability powers rest on its right to recall the President. Parliament was given full rights to amend the budget in the Constitution, but could use these powers only after enacting in law on how it would do so. The Minister of Finance and the National Treasury have considerable powers to set tax policy, set and monitor spending, ensure the effective use of public resources, and enforce sound public financial management. For example, only the Minister can table bills that raise and spend public money. The Auditor General of South Africa (AGSA) is established in the Constitution as a Chapter 9 institution (an independent institution that supports democracy) auditing all state institutions. The Constitutional Court can impose binding remedial action when Parliament, the President or the executive fails in their constitutional obligations, also on the budget.

Several statutory bodies have advisory, investigative, sanctioning, or convening roles: the Financial and Fiscal Commission advises Parliament; the Public Protector and the Human Rights Commission are Chapter 9 institutions with sanctioning powers; the Special Investigating Unit investigates maladministration of public assets and money; and the National Economic Development and Labour Council (NEDLAC) convenes the government, labor, business, and civil society on public matters.

These formal actors interact with a range of informal actors. In South Africa's proportional electoral system, parties are a key intermediary between citizen and state. Other key informal fiscal accountability actors are the media, civil society, the private sector, global/local investors, and credit rating agencies.

### *The three phases of fiscal accountability*

**A new democracy and fiscal renaissance 1996–2008:** Initially, the African National Congress (ANC) government, led first by President Nelson Mandela and then by President Thabo Mbeki and armed with a decisive majority that it would maintain for 30 years, built a rule-based fiscal system on to the new constitutional order. In practice, the system entrenched fiscal and budget power in the executive arm of the government. Within the executive, budget authority was delegated to a powerful Minister of Finance alongside the National Treasury, leveraging their constitutional and statutory powers. But the fault lines that would later plague the state were already becoming apparent, including suppression of the watchdog powers given to Parliament and the Financial and Fiscal Commission; gaps in fiscal accountability at lower levels of the government; lack of political accountability for using money well to address poverty and inequality; and inadequate oversight arrangements for procurement and state-owned entities. Moreover, the dominant role of the Minister of Finance and the National Treasury in fiscal and policy matters triggered concerns from early on that the Treasury was a non-elected bureaucracy using its powers to subvert policy mandates from the electorate or the governing party.

**State capture and the erosion of fiscal institutions, 2009–2018:** After 2008, the end of the commodity boom heralded a change in South Africa's fiscal context. Growth faltered and public debt started rising. Whereas the budget was previously about the allocation of ample surpluses over the medium term, it soon became an exercise in allocating how forward spending expectations should be cut. Moreover, in 2007 the ANC's Polokwane conference led to a leadership change: the ANC faction long opposed to the Treasury and the finance minister came to power. This grouping, led by new ANC President Jacob Zuma, asserted the centrality of the ANC in policymaking and the accountability of the government to ANC mandates, thus sharply changing the approach to governance and the operation of the fiscal ecosystem.

President Zuma initially seemed to take on a progressive policy agenda and build on formal institutions, by adopting a National Development Plan and setting pro-poor outcomes as objectives for ministers. However, in reality the new government leadership oversaw a shift of authority from public institutions to party structures and personal networks. A critical element of these changed circumstances was the rise of corruption and "state capture". State-owned enterprises were repurposed to corrupt ends, and in the executive decision-making shifted towards more personalized, arbitrary, and opaque processes that bypassed

formal structures and undermined constitutional accountability processes. This was paired with a more dismissive attitude towards independent centers of authority, such as Parliament, the courts, civil society, and the media, and public criticism of the Constitution.

Moreover, the effective powers of the finance minister and the Treasury were weakened as budget authority shifted to new institutions in the Presidency. This became increasingly challenging for sustainability and spending effectiveness, as the “norms and standards” of setting departmental spending delinked from budget realities. Although efforts to sideline the Minister of Finance and the National Treasury in critical policy discussions succeeded, the authority to block key elements of state capture was retained through their constitutional powers. Together they emerged as a key center defending constitutionalism and institutions against state capture within the executive. These tensions culminated in watershed moments for accountability when President Zuma twice tried to replace the finance minister with individuals loyal to him, triggering highly adverse responses from financial markets.

In the absence of strong parliamentary oversight, actors like the AGSA, the Public Protector, and civil society stepped up to bolster accountability. Frustrated with weak executive action on its findings and recommendations, the AGSA sought, and won through Parliament, stronger and more direct powers. The Zondo Commission of Inquiry, which laid bare the mechanisms of state capture, was a direct result of investigation by the Public Protector. The media exposed and provided evidence of corruption, weakening coalitions between bad actors and forcing consequences. Civil society staged mass protests demanding Zuma and his Cabinet resign. These pressures culminated in the Zuma faction being ousted from power in the ANC’s 2017 elective conference, with Cyril Ramaphosa becoming ANC president.

**Political fragmentation, uncertainty—and possibility, 2018–2025:** The change in leadership did not result in immediate or significant reversal of the damage to rule-based fiscal institutions. For example, Cabinet’s function as a forum for political debate on fiscal and policy matters was not revived, a reflection of the unreconciled policy positions of the ANC factions represented. Instead, the President opted to house parallel initiatives in the Presidency to address critical policy failures, often with external funding, leaving the Treasury in relative isolation to deal with rising expenditure demands, bailouts of state-owned entities, and skyrocketing public debt.

In May 2024, the ANC lost its parliamentary majority and control of several provinces, ushering in a coalition government. While some see this as accountability for poor governance and corruption, the main reason was that over two million ANC voters shifted to Jacob Zuma’s new party, which opposes current constitutional structures and includes many former state capture figures.

The results, however, radically altered the configuration of political parties in Parliament and presaged a broader shift, including in the fiscal ecosystem. This was illustrated in 2025 by the finance minister needing to prepare three budgets before securing parliamentary approval, an unprecedented turn of events, and by parliamentary processes being the context in which the ANC and other parties negotiated agreement. Even so, Parliament still did not take up its rights to amend the budget. Instead, it referred the budget back to the National Treasury to compile a version that could be agreed, reconfirming Treasury's role as the trusted center of fiscal expertise in the ecosystem.

### *The evolving role of institutions, civil society, and the media*

The paper reviews the evolution of groups of actors, their relationships, and their powers to identify recommendations for strengthening accountability and equity.

Overall, the strength and effectiveness of the **National Treasury** have been a notable and enduring feature of the government. This is due to its formal powers, the political backing provided by the President in the early days of reform, the reservation of the position of Minister of Finance for the most senior ANC leaders, the competency of the institution, and the pressure exerted by **capital markets, banks, and taxpayers** for the Treasury to perform in certain ways. Its role has not consistently evolved towards greater power because of dissatisfaction within the ANC and civil society over its dominance in fiscal and budget policy, and efforts to limit its authority during the Zuma years. Even so, any threat to its ability, authority, and broader policy direction has been met by immediate market reactions and, towards the end of the Zuma years, broad support from civil society, the private sector, and opposition parties when it was under threat of capture—a recognition of the key role of a capable central budget agency.

**Parliament's** ability to hold the executive accountable weakened over time, particularly when the ANC held the majority vote and controlled the institution. The Zondo Commission highlighted Parliament's failure to fulfil its oversight duties during the state capture period. Parliamentary committees have faced challenges due to inadequate resources and political interference. Enacted in 2009, the Money Bills Amendment Procedure Act aimed to enhance parliamentary oversight but had limited impact. Following the 2024 election, Parliament has shown renewed vigor in interrogating the executive's budgetary choices and in oversight, including during the 2025/26 budget process.

The **AGSA** is internationally respected for its effective audits and clear reports that support accountability in South Africa's public sector. The Auditor General's position is protected by the Constitution, and the institution is financially independent and attracts skilled staff. In 2018 the AGSA secured an amendment of the Audit Act to address material irregularities directly, leading to significant recoveries and disciplinary actions.

However, many actors see the AGSA as being too inflexible in compliance audits, and imposing too high an administrative burden on state departments in the audit process. Some fear its stringent measures may drive out capable officials and shift management priorities away from effective delivery to audit compliance. AGSA counters that complaints typically come from those implicated, that it maintains its professionalism, and that it has sufficient dispute processes. The institution's strongest defense, however, is that it is merely doing its duty and that the real problem is an overly complex regulatory environment, especially around procurement. Despite criticisms, an independent AGSA remains vital for safeguarding public sector integrity in South Africa.

Overall, South Africa's **civil society** is diverse and fragmented, and subject to deep tensions around funding and representation. However, it has been instrumental in advocating for fiscal accountability and influencing public policy. There are many instances, like the Treatment Action Campaign, where civil society successfully coalesced to put pressure on the government to realize socioeconomic rights and effect budgetary changes. Government actors, including the National Treasury and the AGSA, have also worked collaboratively with civil society actors to improve policy, strengthen fiscal institutions, and spend money better. But the relationship has not been consistently collaborative: civil society formations have often opposed and criticized the government including through public protest and court actions, and in turn found themselves opposed and criticized by high-ranking politicians.

The Constitution empowers **the courts** to adjudicate on whether state institutions are fulfilling their constitutional obligations, including the government's duty to progressively achieve human rights. There are many cases, including in housing, health, education, and water, where the courts have required that the executive change policies and adjust budgets following public interest litigation brought by civil society. The courts have also been used by political parties, civil society organizations, and the private sector to clarify or enforce the governance and accountability responsibilities of state institutions and elected officials. The courts are also key in the prosecution of public sector fraud, theft, and corruption.

The **media** is vital for transparency and accountability in South Africa's fiscal ecosystem. Investigative journalism has exposed corruption and government abuse of power, driving public awareness and mobilization. Social media has emerged as a platform for public information and debate but also poses risks of misinformation, as illustrated by an orchestrated campaign during the state capture years using false accounts to change the public narrative in Zuma's favor. The media landscape faces challenges, including concentrated ownership, financial difficulties, and threats to its constitutionally guaranteed freedom. Journalists have been threatened and targeted on social media, and taken to court in acts of intimidation. High-ranking politicians and some government agencies have attempted to limit press freedom, ostensibly in the interest of state security, triggering broad resistance across society.

## *Conclusion*

This paper examines the distribution of power and accountability in South Africa's fiscal system, considering the roles of the executive, Parliament, and a range of formal and informal state and non-state accountability actors in national spending decisions. Further perspectives— for example, from tax revenue, the fiscal framework, and local budgets lenses—would be valuable and make good future research subjects. The paper presents conclusions in three parts: a summary of the fiscal ecosystem in practice, a discussion of the lessons for fiscal accountability, and notes on priority areas of action to strengthen equity and accountability in South Africa's fiscal ecosystem.

**The fiscal ecosystem in practice:** Accountability for spending has not been enacted through the processes and decisions of Parliament, as envisaged in the Constitution. These, and other formal accountability relationships, have operated selectively at best. The AGSA has kept a check on corruption, supported by its constitutional mandate and financial independence. The National Treasury played a central role, especially in the first decade, rooted in its constitutional powers, technical capacities, and integration with financial markets. Beyond these institutions, accountability has emerged mostly through a mix of actions, contestation, and collaborations in the public domain and the courts by formal and informal accountability actors. Parliamentary accountability was replaced by individual ANC members' answerability to the party, which at times used its majority to shape the fiscal reform agenda but at times also to avoid holding the executive accountable.

**Lessons for fiscal accountability:** The South African case illustrates pathways towards more open fiscal systems, stronger accountability, and more equity in budget outcomes.

- Wide-ranging institutional reform can establish improved accountability and fiscal results with political backing, resulting in durable institutions.
- Fiscal decision-making links closely to political authority. The ANC's early dominance enabled reforms, debt control and the redirection of spending to basic services, but later posed challenges to fiscal processes. In 2025 the lack of a clear political mandate put the budget at risk.
- Multi-front collective action has effectively influenced fiscal policies, especially when campaigns invest in technical expertise, use both engagement and public protest, build coalitions with state actors, and leverage widely supported causes.
- South Africa's Constitution encourages activism and litigation on socioeconomic rights. But the effectiveness of legal pathways relies on judicial independence, laws, public trust, and government respect for the rule of law.

- The media is crucial for effective fiscal transparency, exposing corruption and facilitating public debate: however, to play this role it must be capacitated, independent, and accountable.

**Priority areas of action:** South Africa's fiscal ecosystem is at a crossroads. The shift to coalition government and a more active Parliament has created an opportunity to strengthen accountability. Potential reforms include, first, the **formalization of political mandating mechanisms for executive government**. South Africa needs a fiscal accountability framework, i.e. clear and explicit commitments on tax policy, spending priorities, and the principles of fiscal policy that will guide each administration over its term of office which are submitted by the incoming government to Parliament. Such a framework will serve as a clear political mandate to Parliament and other key fiscal actors, including the National Treasury.

Second, **independent comprehensive public finance reviews** should be institutionalized, linked to the mandating mechanism. Many actors have called for public expenditure reviews to help the government identify wastage and savings. Expenditure reviews should not be isolated technical exercises, like the reviews the Treasury already does, but comprehensive undertakings explicitly linked to a political decision-making process on balancing sustainability and equity in fiscal choices. Together, the start-of-term fiscal accountability framework and the end-of-term public finance review would bookend the political term of governments, providing a robust framework for executive accountability.

Third, the **oversight operations of Parliament should be strengthened** so that it can fulfil its oversight role better. Strong, well-resourced parliamentary committees are vital, yet their work is often hampered by political interference, inadequate resources, weak organization, poor support, technical limitations, and a lack of enforcement tools. The seventh Parliament, as the first hung Parliament since democracy, has a unique chance to correct these systemic issues and push for reforms. Key reforms include strengthening technical support, ensuring proportional distribution of committee chairpersonships among parties to prevent dominance by larger parties, measures to track executive responses to parliamentary resolutions, and a revised budget process, including earlier tabling of the budget for thorough scrutiny.

Finally, the media and civil society play a crucial role in fiscal accountability, but declining funding threatens their effectiveness. Establishing an independent, non-public fund, supported by global and local donors, could help sustain these organizations and advance fiscal equity. Effective governance and collaboration among donors are essential for setting up and managing such a fund.

## 1. INTRODUCTION

South Africa's transition to democracy in 1994 initiated an overhaul of the structure of the state and the public finance system. The country's 1996 Constitution was strongly influenced by an emerging global consensus highlighting the importance of credible fiscal institutions. Contemporary observers described the wave of budget reforms in the formative years of democracy as a "fiscal renaissance"<sup>1</sup>. The new institutional framework was complemented by vibrant civil society that had taken root before 1994. Yet over the next three decades, changes in the political landscape profoundly influenced fiscal accountability. This evolution makes South Africa an important case study—particularly given that the country's concept of accountability is conceptually linked to equity, with a constitutional imperative to progressively realize socioeconomic rights for all.

This paper defines and discusses the fiscal ecosystem, draws lessons, and makes recommendations to increase accountability and equity. Our analysis focuses on national-level expenditure decisions, particularly the main budget process. While the revenue system and subnational budgeting are also important, national spending decisions, which include setting spending limits and intergovernmental transfers, provide a sufficient window on to how the system functions.

South Africa illustrates the importance of formal and informal accountability relationships, and the ways in which these evolve. Initially, the majority party in the new government built and entrenched strong, but centralized, fiscal institutions. Yet the weaknesses of incomplete institution-building and the dominance of one party became apparent over time, opening the door to widespread corruption and the erosion of centralized fiscal decision-making and oversight. Parliament, though empowered to hold the executive accountable, proved incapable in practice. Other formal and informal actors took up the banner of accountability to protect the fiscal ecosystem. Recent political changes have destabilized previous ways of working, but present opportunities for a new wave of positive reforms.

Section 2 describes South Africa's fiscal system and the accountability provisions as established in the Constitution and law. Section 3 outlines how the country's evolving politics shaped these accountability relationships in practice, amid increasing tension between the fiscal sustainability and equity objectives of the budget. Section 4 examines the main actors to understand how they gained power in the system, and how these powers have been constrained. Section 5 concludes with lessons and recommendations.

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<sup>1</sup>Ajam, T. and Aron, J. (2007). Fiscal Renaissance in a Democratic South Africa. *Journal of African Economies*.

The analysis is based on a literature review and interviews with over 30 current and past participants in and students of the country's fiscal system across the executive, legislature, supreme audit institutions, media, civil society, academia, development partner organizations, and statutory fiscal advisory and consultation bodies. Interviews were conducted on a confidential basis and the interviewees are not named. The study was supported by a reference group of individuals from the government, academia, civil society, and the media who reviewed the research proposal, as well as emerging findings and the direction of the research. The authors bear sole responsibility for the findings and conclusions.

## 2. THE FISCAL STAGE AND ITS ACTORS

South Africa is a **constitutional democracy**. The 1996 Constitution is the highest authority regulating accountability relationships between the people and the state and between components of the state, including how the state raises and spends money. The Constitution sets transparency and public participation in policymaking as key principles of public administration and accountable government. It requires formal processes of public comment on the government's main policy documents and bills, extensive consultations with stakeholders at the sector level, and requirements for all public agencies to consult citizens on services. Moreover, budget processes must "promote transparency, accountability and the effective financial management of the economy, debt and the public sector"<sup>2</sup>

The Constitution establishes a **unitary state with some federalist elements**.<sup>3</sup> The fiscal system is characterized by highly centralized revenue collection and strong Treasury oversight over budget execution. The authority to issue debt is also centralized and subnational government borrowing is negligible. National funds are shared between national, provincial, and local governments, largely based on historical spending patterns and political judgment.<sup>4</sup> Resources are then allocated to subnational governments mostly as unconditional grants, using formulae that reflect the demand for public services.

The Constitution also provides for a non-hierarchical system of intergovernmental relations in which each sphere is "a distinct government in its own right, each accountable to its own elected legislature or council".<sup>5</sup> This implies decentralized accountability for budget allocations, the use of resources, and the intended outcomes, which was formalized in budget laws including the Public Financial Management Act. Importantly, the act also decentralized authority over procurement, on the assumption that accountability

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<sup>2</sup>Section 215.1 of the Constitution.

<sup>3</sup>Shah, A. (ed.). (2007). *The practice of fiscal federalism: Comparative perspectives*. McGill-Queen's University Press.

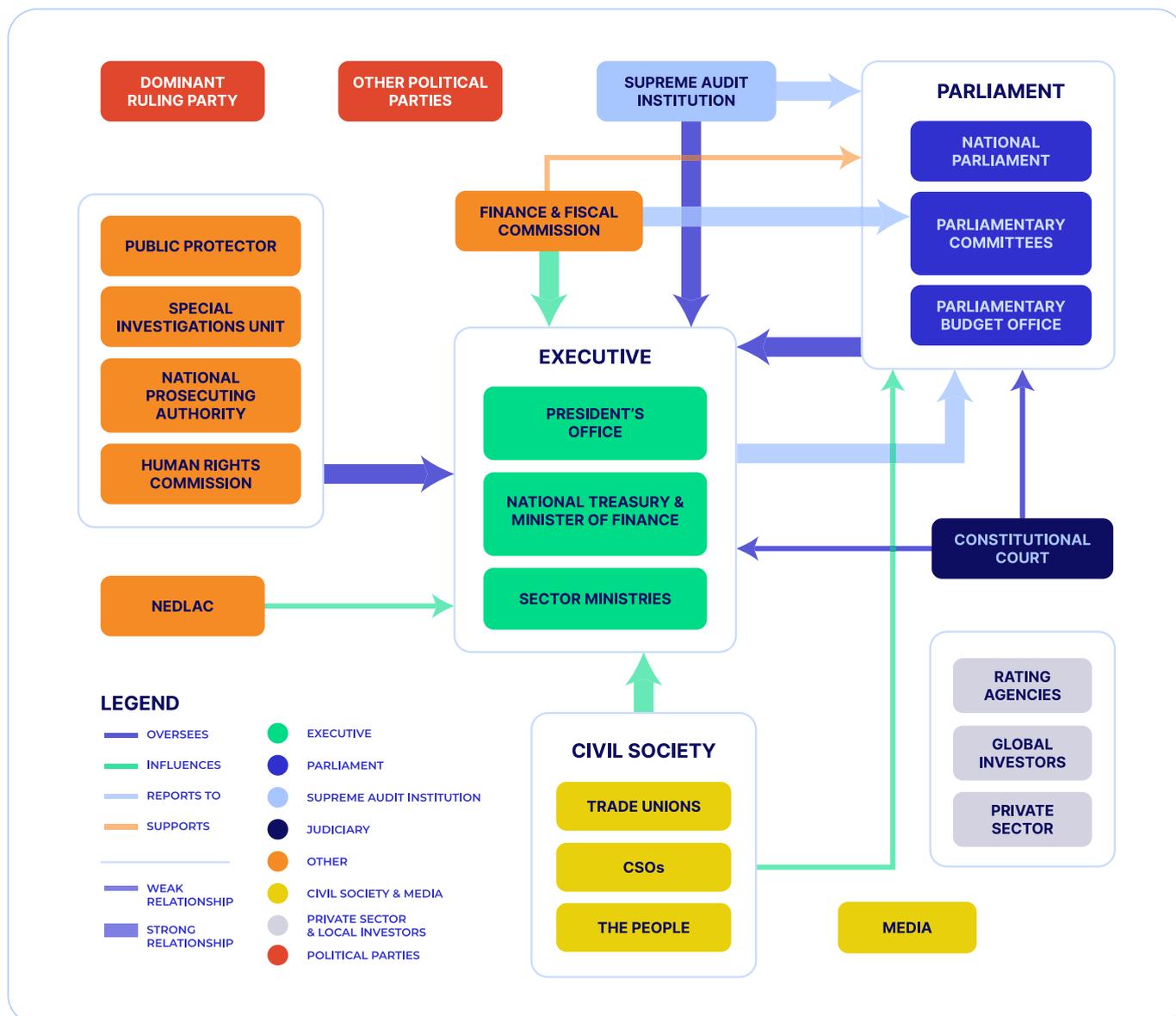
<sup>4</sup>Ajam, T. (2019). *Fiscal Federalism in Calitz*, E., Steenekamp, T. J. and Siebrits, K. (eds.). *Public economics* (7th edition). Oxford University Press Southern Africa.

<sup>5</sup>National Treasury. (2001). *Intergovernmental Fiscal Review*, p. 2.

to decentralized elected assemblies would be sufficient to prevent corruption and mismanagement. However, legislative and executive authority is concurrent or shared between national and subnational governments for key functions (e.g. health, education, and most municipal services), with the national government regulating provision and legislating norms and standards.

Figure 1 maps the fiscal ecosystem, identifying the key actors and their formal accountability relationships in terms of the Constitution and national laws. Core state actors—actors that are legally required to draft, advise on, approve, implement, report, review, and audit the budget—are indicated by squares. Other state actors are indicated by circles, non-state actors by triangles, and external actors (i.e. actors outside of the country) by pentagons. The color coding is set out in the legend, which distinguishes groupings of actors and types of accountability relationships. The larger the shape, the more legal power an actor has in relation to the budget. The legal relationships between actors are shown by arrows, color-coded by type of relationship and indicated through directionality. The wider the arrow, the more powerful the relationship. For example, an “oversee” relationship arrow will be wider if that oversight includes the right to hold an actor answerable, investigate, and enforce sanctions, relative to a thinner arrow where oversight only covers the right to hold an actor answerable.

**Figure 1. Fiscal ecosystem actors and their formal accountability relationships**



## 2.1 Formal actors

South Africa is a constitutional democracy with a parliamentary system of government. The **national Parliament** has two houses. The National Assembly is responsible for electing the President,<sup>6</sup> passing laws, holding the executive to account, and providing a forum for public debate. The National Council of Provinces is also involved in law-making and debates issues affecting the provinces. Parliament’s fiscal oversight and accountability role is enacted through the **parliamentary committee system**. Committees are empowered to be informed, hold the executive answerable, and recommend remedial actions. Ultimately, Parliament’s hard accountability powers rest on its right to recall the President, triggering a fall of the government.

<sup>6</sup>The President is more akin to a prime minister, and South Africa has no ceremonial head of state.

The Standing Committee on Finance oversees tax and the sustainability of the public finances, and the Standing Committee on Appropriations oversees the division of revenue across spheres of government and national sphere allocations. These two committees, with the sector portfolio committees that oversee spending departments, are key to mandate accountability. The Standing Committee on Public Accounts, key to technical accountability, oversees the financial statements and audit reports of all state institutions. The Constitution empowers Parliament to change the executive's budget proposals subject to national legislation, passed in 2009, to determine how it would do so. A Parliamentary Budget Office was established in 2010 to provide technical advice on fiscal and budgetary matters.

The **executive** comprises the President, ministers of national departments, and the national bureaucracy. The President, supported by the Presidency, appoints a Cabinet of ministers. Ministers are politically accountable for the work of departments and agencies. The heads of these bureaucracies and their accounting officers are accountable both to their ministers and to Parliament for the lawful and prudent use of resources, and for establishing effective systems of public financial management.

The **Minister of Finance and the National Treasury** are granted considerable powers in the Constitution and supporting national legislation to set and monitor spending, ensure the effective use of public resources, and set and enforce sound public financial management. The Constitution states that only the Minister of Finance can propose legislation to raise and commit national revenue, and that the National Treasury must monitor and enforce transparent and accountable budget processes and systems of financial control nationwide. The South African Revenue Service, which is the tax authority, is also an important actor in the fiscal ecosystem, but is not discussed in this paper.

The **Auditor General of South Africa** (AGSA) is established as the supreme audit institution in the Constitution, is appointed by the President on recommendation from the National Assembly and is empowered to audit any institution funded by public money. It is a Chapter 9 institution, i.e. "a state institution supporting democracy". It reports findings on the reliability of financial statements and the management of reporting of public funds to the legislature. The AGSA's mandate includes providing assurance on the quality of performance information and performance audits. In 2018, the Audit Act was amended to give the AGSA additional powers to refer criminal material irregularities to authorities who can investigate further and to make recommendations in audit reports on how material irregularity must be addressed within a stipulated period. If not addressed, the AGSA must take binding remedial action.

There are several other statutory bodies with advisory, investigative and sanctioning roles. The **Financial and Fiscal Commission** (established in the Constitution) advises Parliament on the division of revenue. Two other Chapter 9 institutions, the **Public**

**Protector** and the **Human Rights Commission**, play investigative and enforcement roles that encompass how actors use state resources, although they are not core fiscal actors. The **Special Investigating Unit** investigates serious malpractices in or maladministration of state institutions, state assets, and public money. It can investigate any matter referred to it by the President or a provincial premier, and concludes cases through any court of law or its own tribunal. Financial crimes committed by political office holders and bureaucrats in the execution of their duties are investigated by the **police** and prosecuted by the National Prosecuting Authority.

The **National Economic Development and Labour Council** (NEDLAC) is a statutory body that brings together representatives from the government, organized labor, organized business and communities to consider socioeconomic and labor policy and legislation. The government changes policies and legislation based on NEDLAC decisions. The budget does not go through this process (although it is discussed), but many of the sector framework acts that establish spending obligations do.

The courts play a role on criminal matters. The **Constitutional Court** is also invested with powers to decide whether Parliament or the President and the executive have failed to uphold a constitutional obligation, including in terms of the Bill of Rights, which is binding on state and private actors and includes socioeconomic rights which must be progressively realized.

## *2.2 Informal actors*

**Political parties** play an important role in fiscal accountability. In a representative democracy such as South Africa, the fiscal system should center the policy agendas of the political parties represented in the government for public funding because they represent the will of most voters. Party coherence and discipline are then needed to enact this agenda through the legislative powers of Parliament and the executive powers of the President.<sup>7</sup> Party discipline, however, can compromise accountability when leaders are divorced from citizens and use public offices for their own interests. In this case, party coherence may conflict with the 'free mandate' of party members in office to act in the public interest.<sup>8</sup> In South Africa's proportional electoral system, parties are a key intermediary between citizen and state.

Other informal actors with key roles in fiscal accountability are the **media, civil society, the private sector, global and local investors, and credit rating agencies.**

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<sup>7</sup> See for example discussion in Bowler, S., Farrell, D., and Katz, R. (1999). Party Cohesion, Party Discipline, and Parliaments. Ohio State University.

<sup>8</sup> See discussion on literature in Van Biezen, I. and Kopecký, P. (2007). The State and Parties, Party Politics, and Interparliamentary Union. (2016). Parliament's power to hold government to account: Realities and perspectives on oversight.

### 3. THE THREE PHASES OF FISCAL ACCOUNTABILITY

The fiscal ecosystem has evolved through three major political shifts in the government, illustrating the close connection between political power and fiscal decision-making. A key theme is the dominant role of the African National Congress (ANC), which emerged as the majority party in the 1994 elections and remains the country's leading party. Other themes include the tension between formal and informal forms of accountability, and between the sustainability of the public finances and the realization of access to socioeconomic rights. This section briefly describes the key features of each phase.

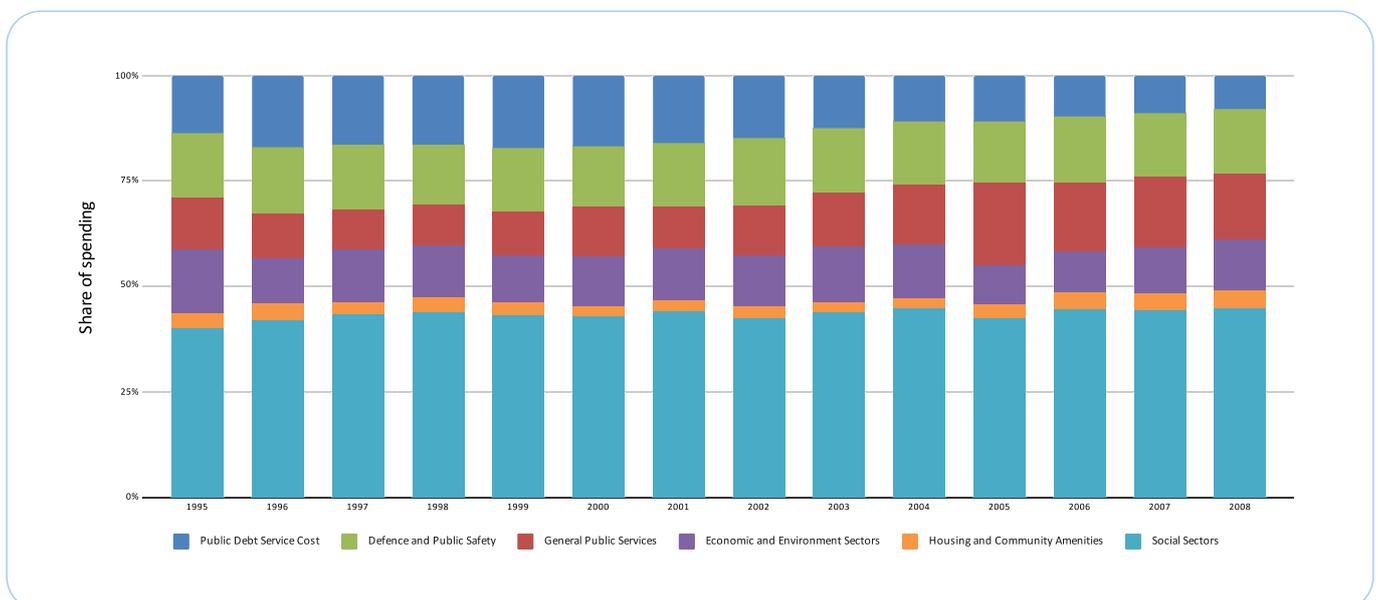
#### 3.1 A new democracy and fiscal renaissance, 1996–2008

In 1994, the democratic government inherited a state dominated by racialized institutional structures and an undemocratic culture. It faced the enormous task of reconfiguring and transforming the state. A central component of this task was transforming fiscal policy, budgeting, and public financial management to support the development priorities of the new democracy.

In the 1990s and early 2000s, armed with a decisive majority that it would maintain for 30 years, the ANC government led first by President Nelson Mandela and then by President Thabo Mbeki built an effective fiscal system on to the foundation of the new constitutional order. In practice, the system strongly entrenched fiscal and budget power in the executive arm of the government. Within the executive, budget authority was delegated to a powerful Minister of Finance alongside the National Treasury, leveraging the powers assigned in the Constitution and other national legislation.

**Figure 2. Public debt reduction and government spending, 1996–2008**

Source: South African Reserve Bank, Public Finance Statistics, [link](#).



Together, the finance minister and the Treasury were at the heart of the ANC's state-building project. The National Treasury played an important role in unifying the fragmented structures of the apartheid state—which required integrating the finances and debt of the central state, the (then) four provinces and 10 quasi-independent homelands—and generating the resources needed to expand access to services, housing, infrastructure, and social transfers.<sup>9</sup> In the early 2000s, South Africa became the face of good fiscal institutions in the developing world.

The National Treasury established a disciplined medium-term budget process backed by the capacity to manage cash and debt and high levels of transparency. A central focus was building the country's credit ratings and credibility in financial markets to finance national development. Another priority was strengthening Treasury control over spending and accounting for the use of funds while devolving managerial control (and mandate accountability) to line departments, public agencies, and subnational government. Compliance was routinely audited and outcomes were publicized and scrutinized by Parliament.

This period saw a historic shift in public spending on social services as the apartheid security state and public debt was reduced, and expenditure was equalized between black and white South Africans. By 2008, spending on social services, public housing, and community amenities (water, sanitation) accounted for 49% of general government spending (see Figure 2).<sup>10</sup>

Even in this period, however, accountability and equity fault lines were becoming apparent. First, the centralization of fiscal power in the executive suppressed the countervailing watchdog powers given to Parliament and the Financial and Fiscal Commission. Parliamentary committees provided a forum for public deliberation on policy choices and demanded explanations on budgetary decisions from the executive, but there were limits to executive accountability. Parliament's powers to amend budget proposals were only enacted in 2009. Before this, Parliament essentially rubberstamped the executive's budget proposal. In addition, the ANC acted behind the scenes and through its parliamentary caucus to shield its members in the executive from parliamentary sanction. The Financial and Fiscal Commission was effectively relegated as an independent voice on fiscal matters when the system was set up in the late 1990s as the National Treasury and then Parliament passed over its advice on the division of national revenue between spheres of government in favor of the Treasury proposal.

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<sup>9</sup>Pearson, J., Pillay, S., and Chipkin, S. (2016). State-Building in South Africa after Apartheid: The History of the National Treasury. PARI.

<sup>10</sup>General government comprises departments and agencies across all levels of the government but excludes state-owned entities.

Moreover, the institution-building project was incomplete. A lack of skills, competencies, and management experience affected especially the provinces that were cobbled together from several pre-transition administrations and new, poor local municipalities.<sup>11</sup> In effect, formal accountability institutions were weaker the further away they were from the center of government. In many instances, the poor quality and coverage of subnational delivery were stark. In addition, some aspects of the overall system reforms fell short of requirements for accountability and equity: the technical approach to performance management was ineffective in the absence of real political accountability for achieving commitments (mandate accountability), and the oversight arrangements for procurement and state-owned entities proved inadequate in the face of corruption.<sup>12</sup> While some argue that such systemic weaknesses were deliberate from the start, the more accepted view is that the designers of the system were naïve about the risks involved and the effectiveness of the accountability models selected: “We did not see corruption coming; we were naïve about corruption and state-owned enterprises”.

From the outset of democracy, also, the dominant role of the finance minister and the National Treasury in fiscal and policy matters triggered concerns within government and ruling party structures, as well as among trade unions and civil society. The Treasury was (and is) frequently accused of being a non-elected bureaucracy that uses its control over budgeting to subvert policy mandates arising from the electorate or governing party. These tensions were generally managed through the structures of the ANC, which could impose mandates across the executive and the legislature and galvanize public opinion.

The fragility of some of these institutions would later threaten the fiscal ecosystem, as government leaders undercut constitutional accountability systems to shift power to party structures and personal networks. In the absence of strong parliamentary oversight, actors like the AGSA, civil society, and the media would step up to bolster accountability.

### ***3.2 State capture and the erosion of fiscal institutions, 2009–2018***

Two critical factors changed the context of fiscal policy and institutions after 2008. The first was the reversal of the global commodity super cycle, which for years had raised national income and eased financing conditions, underpinning good fiscal outcomes. In 2012, South Africa entered a period of chronic economic stagnation with falling gross domestic product (GDP) per capita – which has continued. This reversal of fortune coincided with rising debt and concerns over fiscal sustainability, to which the government responded with a fiscal squeeze. Whereas the budget process had, between 2000 and 2008, focused

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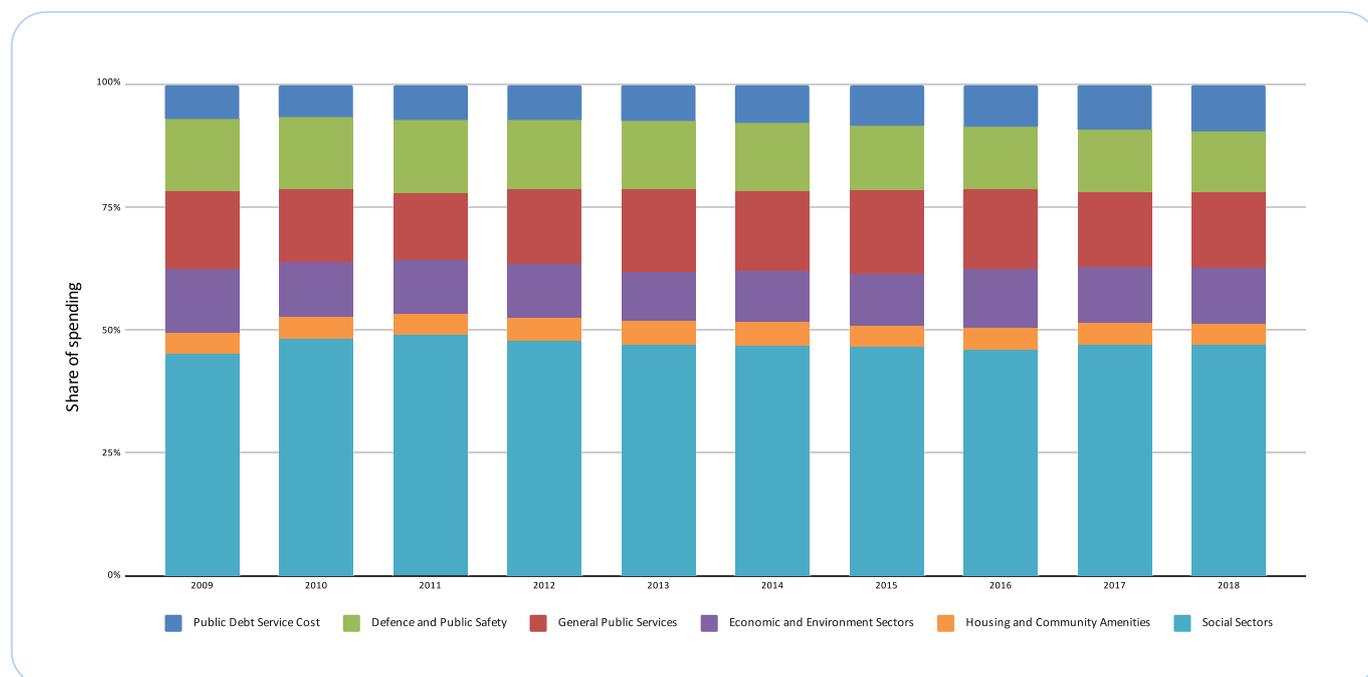
<sup>11</sup>Ndletyana, M. and Muzondidya, J. (2009). Reviewing Municipal Capacity in the Context of Local Government Reform 1994–2009.

<sup>12</sup>See, for example, the National Treasury, (2015), Supply Chain Management Review which found that procurement non-compliance resulted in repeated violations such as bribery, nepotism, fraud, conflicts of interest, collusion, abuse, and manipulation of information and processes, discriminatory treatment, and abuse of public resources as suppliers exploited enforcement weakness.

on the allocation of an ample surplus over previous years' projections, it soon became an exercise in allocating cuts to expected spending as years rolled over in the medium-term budget. And although total spending continued to grow, non-wage spending growth slowed significantly as GDP growth faltered and public interest and wage costs rose.

### Figure 3. Public debt reduction and government spending, 2009-2018

Source: South African Reserve Bank, Public Finance Statistics, [link](#).



Second, the ANC's 2007 Polokwane conference resulted in a leadership transition. This profoundly affected fiscal governance, not least because the party diluted the National Treasury's power over economic and budget policy, widening deliberation on fiscal choices within the executive and shifting budget authority towards the Presidency. New institutional centers were created, including the National Planning Commission, the Department of Monitoring and Evaluation, and an economic ministry with oversight over macroeconomic policy choices. The conference also asserted the centrality of the ANC in policymaking and the accountability of the government, including the Minister of Finance, to ANC mandates.<sup>13</sup>

This decision signaled the victory of forces in the ANC that had long opposed what they called the neo-liberal leaning of the Treasury and the finance minister. This grouping, led by new ANC President Jacob Zuma, sharply changed the approach to governance and the operation of the fiscal ecosystem when he took office after the 2009 national election.

President Zuma initially seemed to take on a progressive policy agenda and build on formal institutions. The government responded to the need for a clearer mandate to guide the

<sup>13</sup>Sachs, M. (2021). Fiscal Dimensions of South Africa's Crisis. Public Economy Project, SCIS Working Paper 15, 54.

bureaucracy, spending, and revenue decisions by adopting the National Development Plan after widespread public consultation and setting pro-poor outcomes as objectives for ministers. However, further public finance improvements stalled as the efficacy of earlier reforms eroded. In effect, the new government leadership oversaw a shift of authority from public institutions to decision-making structures within the governing party.

A critical element of these changed circumstances was the rise of corruption and “state capture”, commonly understood as the corrupt influence of private interests on state power through the systematic manipulation of appointments, procurement processes, and oversight mechanisms.<sup>14</sup> Rent-seeking by individuals in the executive disrupted the formal rules of policymaking and altered the position of actors in the fiscal ecosystem. State capture signified a different distribution of power and new forms of contestation for control over public resources. Within the executive, decision-making shifted towards more personalized, arbitrary, and opaque processes that bypassed formal structures and undermined the Constitution in favor of political party structures and personal networks. Collective accountability and transparency through formalized governance were dramatically eroded as President Zuma sought to repurpose institutions to corrupt ends and bend authority in favor of his faction. This was paired with a more dismissive attitude towards independent centers of authority, such as the courts, civil society, and the media, and public criticism of the Constitution as the bedrock of the system.

The effective powers of the finance minister and the National Treasury were also weakened during this time, especially over spending choices. In a more constrained fiscal environment as growth slumped and the budget process was weakened, the incentives to commit to populist public policy and bypass the National Treasury increased.

The Treasury was later sidelined in key decisions, including those with major expenditure implications. Increasingly, decisions taken by the governing party were inconsistent with the Treasury’s blank insistence on fiscal austerity. What were once creative tensions between the governing party and policy technocrats led by the National Treasury, balancing democratic mandates against the imperative of sustaining market confidence, now descended into a form of cold war. This became increasingly challenging for sustainability and spending effectiveness, as the “norms and standards” of setting departmental spending delinked from budget realities. One example was the funding of universities (see box below and the full case study in Annex 1). While the governing party consistently resolved in favor of fee-free higher education, the National Treasury was intransigent in working out a path towards this goal. In the end, the President unilaterally announced fee-free education for poor and working-class students—which served neither sustainability nor equity in public spending.

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<sup>14</sup>This explanation approximates the definition used by the country’s eventual judicial commission of inquiry into state capture allegations, known as the Zondo Commission. See the Commission’s Report Part VI (2022) [here](#).

### **Box 1: Fee-free Higher Education**

The announcement of free higher education illustrates the effect of changes in the government on budget coherence, effectiveness, and equity. It also shows how relationships within departments shifted as ministers were enabled to announce significant policy decisions without necessary checks on affordability, rationality, and cost-effectiveness.

In 2012 the ANC resolved to support fee-free higher education, including by covering tuition and other costs with loans to be converted to bursaries for successful students. The National Student Financial Aid Scheme (NSFAS), which ran a program of publicly funded student support, was to manage the funding.

At the time, university finances were under pressure, with high student debt. When one university announced a 10.5% fee increase in 2016, protests soon spread country-wide, partly driven by radical ANC and Economic Freedom Fighters student leaders. The government froze the increases, provided additional funding, and set up the Heher Commission on free higher education. In August 2017 the Commission found that fee-free higher education was unaffordable and proposed an income-linked loan system for all students, to be converted to bursaries upon success, and expansion of technical education.

On the first day of the ANC's 2017 elective national conference, in which a fierce leadership battle was anticipated, President Zuma announced fully subsidized higher education for poor and working-class students from the next academic term—to begin just six weeks later. This announcement undercut ongoing executive deliberations to address the student funding crisis. It was widely believed to have been an unsuccessful attempt to swing the vote in favor of Zuma's ANC faction.

The announcement added enormous strain to an already constrained budget. As access to universities has expanded, the cost has grown, leading to less funding for basic education, other parts of the system, and other services. To date, no formal policy on fee-free higher education is in place. Ad-hoc cost-bearing decisions have been taken with little or no consultation, and often poorly implemented, such as disbursement through financial intermediaries found to be irregularly appointed. Higher education officials and universities have been increasingly sidelined, as NSFAS and the Minister of Higher Education communicate directly and NSFAS plays a larger policymaking role. Its road has been rocky after being thrust into implementing free-higher education and managing much larger sums of money. It has not fully revised its systems, has been put under administration twice, and has been investigated by the Special Investigating Unit to recoup fraudulent payments to students going back to 2018.

Although many efforts to sideline the National Treasury succeeded, the institution retained authority to block key elements of state capture through its constitutional powers. While agencies outside direct budget control (for instance state-owned entities) were captured and repurposed, some big-ticket items, such as a nuclear power deal with Russia, were blocked. The Ministry of Finance also emerged as a key center defending constitutionalism and institutions against state capture within the executive.

These tensions culminated in watershed moments for accountability when President Zuma twice tried to replace the finance minister with individuals loyal to him. In both cases, this generated powerful adverse responses from financial markets. Zuma's attempt to conclude the nuclear power deal with Russia is illustrative. The deal had been informally agreed with Russian partners, but the then-Minister of Finance, Nhlanhla Nene, refused to sign off on a letter of guarantee that was irregularly presented to him during an official trip to Russia. Shortly thereafter, in November 2016, President Zuma replaced Nene with David van Rooyen, a political neophyte who arrived in the Treasury with a posse of advisors linked to Zuma's business benefactors, the Gupta family. The market reaction caused the rand to tumble and bond yields to spike. The economic consequences, as well as opposition from a coalition of elements in the ANC, civil society, the media, and business, forced President Zuma to back down and reappoint former Minister Pravin Gordhan as finance minister, avoiding the direct capture of the Treasury.

Between 2009 and 2018, formal parliamentary processes continued to provide some accountability and transparency around the budget process. However, Parliament often appeared unable or unwilling to play a strong watchdog role over the executive. Zuma used his control over the governing party to discipline ANC members of Parliament and forestall efforts to hold him accountable. The media and civil society actors continued to raise the alarm, and opposition parties played a key role, including by acting through the Constitutional Court to force reversals of parliamentary whitewashing of corruption practices implicating the President.

Critically, other constitutional institutions stepped up to play a stronger role. These included the AGSA, the Public Protector and some agencies in the criminal justice system. Often, these institutions worked with informal actors, including the media and civil society, to strengthen accountability and oversight.

The AGSA was both constitutionally independent and financially autonomous, with an effective administration. Frustrated with weak executive action on its findings and recommendations, the AGSA sought, and won through Parliament, stronger, more direct powers. The Public Protector was key in sanctioning Zuma's use of state resources to renovate his private homestead, and in investigating and publicizing the appointment of Cabinet ministers and state entity directors linked to the Gupta family, and the award of state contracts and other benefits to Gupta companies. The Zondo Commission of Inquiry, which laid bare the machinations of state capture, was a direct result of the investigation.

Likewise, informal actors stepped up to defend the Constitution and demand accountability. The media played a significant role in exposing and providing evidence of corruption, weakening the corrupt coalitions between state and private actors and forcing political consequences for the perpetrators. From 2016, after publication of the Zondo Commission's state capture report, and into 2017 organized civil society, business leaders, opposition political parties, and prominent individuals staged mass protests demanding Zuma and his Cabinet resign as evidence of abuse of state resources mounted. Following the second attempt to capture the finance ministry, these protests peaked across four major cities. The ongoing campaigning contributed to President Zuma's loss in the 2017 ANC elective conference, and eventual resignation as President of the country in February 2018.

Since 2018, the ANC's dominance has waned, culminating in the loss of its parliamentary majority in the 2024 national election. A coalition government has put pressure on the old model of fiscal decision-making, as demonstrated in the process to pass the 2025 budget. The way forward is not yet clear—but there are opportunities to reconfigure the fiscal ecosystem for greater equity and accountability.

### ***3.3 Political fragmentation, uncertainty—and possibility, 2018–2025***

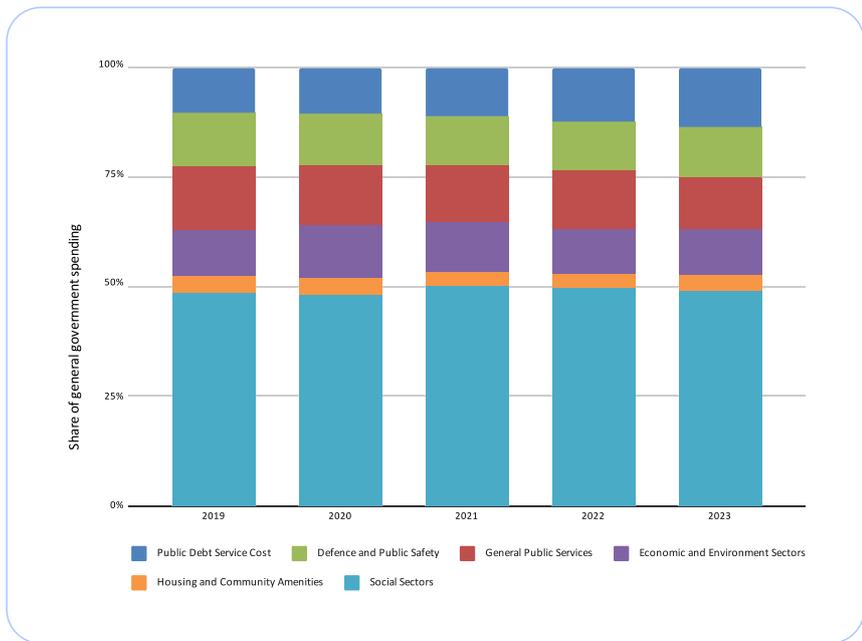
Between 2018 and 2025, the public finances worsened. Economic growth continued to stagnate and public debt skyrocketed, a result of the COVID-19 pandemic as well as costly bailouts of state-owned entities, over-optimistic growth forecasts, and the executive's failure to make hard choices between spending objectives. Rising debt service costs squeezed out spending on health, education, and infrastructure as spending growth stalled, yet few spending programs or institutions were closed.

Cabinet's function as a forum for political debate on fiscal and policy choices was not revived. Many saw this as a result of the composition of Cabinet, which reflected the unreconciled policy positions of ANC factions. Instead, the President opted to house parallel initiatives in the Presidency, supported by business groupings and co-chaired by the Treasury, to address critical policy failures, such as unreliable electricity supply and the collapse of transport infrastructure.

The National Treasury has retained nominal control of a national budget process that nonetheless has been eroded further, with the process serving to reconcile decisions taken elsewhere rather than negotiate trade-offs. As fiscal conditions worsened, the budget process continued to be an exercise in cut-back budgeting rather than a negotiation on the allocation of resources. Lately, the National Treasury has proposed legislating a fiscal rule to strengthen its control over fiscal discipline.<sup>15</sup>

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<sup>15</sup> See National Treasury. (2025). Fiscal Anchors Discussion Document, [link](#).



**Figure 4. Public debt reduction and government spending, 2019-2023**

Source: South African Reserve Bank, Public Finance Statistics, [link](#)

The political dominance of the ANC waned after it lost control of several large metros in the 2021 local government elections, and ended when it lost both a parliamentary majority and control of several provinces in the 2024 national election. An era of coalition government dawned, in which no single party has an outright majority.

It is tempting to interpret this outcome as a way of holding the incumbent party accountable for poor governance and corruption. The ANC's defeat came on the back of state capture, an electricity supply crisis that plunged the country into extended blackouts, and a host of other corruption scandals and governance failures. However, the proximate reason for the election outcome was that over two million ANC voters switched their allegiance to Jacob Zuma's new splinter party, uMkhonthe weSizwe, formed just before the election. This party is avowedly opposed to current constitutional arrangements and has become a home for many figures implicated in state capture. The election outcome, therefore, reflects more complex political dynamics.

The results radically altered the configuration of political parties represented in Parliament, presaging a broader shift, including in the fiscal ecosystem. This was shown when, for the first time in 30 years, the budget was not tabled in Parliament on the traditional third Tuesday of February 2025. The day before, Cabinet had failed to give the finance minister the green light, which had been almost certain in all prior years. The trigger was a proposed value-added tax (VAT) rate hike of two percentage points, which some parties in the governing coalition—including some leaders in the ANC—opposed on equity grounds. The last-minute postponement of the budget foretold several months of turmoil. A second budget with a smaller VAT rate increase was withdrawn following a court case brought by the largest coalition member, the Democratic Alliance, which ended in an out-of-court settlement and a court order. A third budget proposal with no VAT hike was finally tabled in May 2025 and passed in July 2025.

The current moment is alive with possibility and fraught with uncertainty. The VAT disagreement clarified Parliament's sovereignty over tax proposals (one of the subjects of the court case) and by extension the budget, and allowed Parliament to exercise its powers as the keeper of the purse. To some extent, it did. The parliamentary process was the context in which the ANC and other parties negotiated to secure majority support for the second fiscal framework. The budget was hotly debated across media platforms, and every session of the relevant committee to pass this framework was closely watched. Yet, when the second budget proposal was put to the vote, Parliament did not amend the framework. Instead, it approved the framework and referred the budget back to the Minister of Finance to come up with other revenue increases or spending cuts within 30 days to reach the approved deficit level. With this action, Parliament implicitly acknowledged the continued centrality of the Minister and the Treasury to fiscal decision-making, and chose not to become an alternative budget-making center.

However, the 7th Parliament took up its oversight role with renewed vigor in other ways. Committees nearly doubled their meetings compared to the previous Parliament, and members asked ministers over 6,700 questions.<sup>16</sup> Committees led high-profile investigations, including one that resulted in the dismissal of the higher education minister after scrutiny over appointments to the boards of Sector Education and Training Authorities, which administer the use of skills development payroll taxes.<sup>17</sup> The National Assembly launched an ad hoc committee into allegations of corrupt relationships between police ministers, high-ranking officers, and crime syndicates, and SCOPA held hearings on the Road Accident Fund's financial management, emblematic of a Parliament that is increasingly active.

South Africa's path forward might involve incremental shifts that reconfirm and build on the foundations established by the first generation of constitutional and fiscal reforms. Better outcomes might not require large-scale change to the fiscal architecture. On the other hand, the new political dispensation offers an opportunity to review the structural choices made in the 1990s and their relationship to the subsequent equity and accountability performance of the state. It may also offer an opportunity to graft a more transparent connection between political parties and fiscal choices.

While it is too early to conclude what direction the fiscal ecosystem will take next, the final section discusses several possible pathways through which a reform agenda could advance. Before then, we review the evolution of groups of actors, their relationships, and their powers to help identify recommendations for strengthening accountability and equity.

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<sup>16</sup>Parlimeter, 6 November 2025, Here is OUTA's annual assessment of Parliament, [link](#).

<sup>17</sup>SA Government News Agency, 21 July 2021, President Appoints new DHET Minister, Deputy Minister, [link](#).

## 4. THE EVOLVING ROLE OF INSTITUTIONS, CIVIL SOCIETY, AND THE MEDIA

### 4.1 Treasury control and the budget process

Overall, the strength and effectiveness of the National Treasury have been a notable and enduring feature of the government. This is not solely due to the powers granted in the Constitution: other central factors included the reservation of the position of Minister of Finance for the most senior ANC leaders, the political backing provided by the President in the early days of reform, and the competency of the institution. These factors helped to ensure that the Treasury's views decided conflicts between the Treasury and sector spending departments. The National Treasury's leading role in the budget process was enabled by the rule-driven Cabinet and presidential decision-making processes.

Soon after 1994, the National Treasury established a cadre of able economists, specialists, and accountants. This enabled oversight of national and provincial expenditure plans through the budget process and implementation. Many key officials have had long careers in the National Treasury, providing stability and institutional memory. Although the Treasury has lost capacity since the 2010s, it remains a locus of government capability relative to the erosion of technical, managerial, and policy effectiveness seen in many public institutions. This certainly stems from efforts to attract and retain professional staff. However, the disparity between the Treasury's success and the perceived failure of other departments warrants a deeper explanation.

Friedman and van Niekerk hypothesize that “the Treasury is more efficient because it is held to account by organized interests”<sup>18</sup>. The dominant party system and the executive's strength relative to Parliament may have weakened accountability for sector departments, but capital markets, banks, and taxpayers keep Treasury officials under intense pressure to perform in particular ways. The most obvious example is capital market reactions to budgets and other Treasury policy statements, which translate instantaneously into exchange rate movements. The National Treasury is functionally integrated with capital markets because it is the largest single issuer of rand-denominated debt. Part of its mandate and role is to maintain good relations with bond investors. Similarly, its responsibility for tax collection places the Treasury at the interface of a democratic government that derives from a largely poor and economically excluded electorate and the taxpaying public, which is dominated by monopoly corporate interests and the most affluent households.

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<sup>18</sup>Friedman, S. and van Niekerk, R. (2016). Introduction: Social policy post 1994 in South Africa. *Transformation: Critical Perspectives on Southern Africa*, 91(1), 1-18.

But the Treasury's role has not consistently evolved towards greater power. As noted above, discord over the fiscal mandate and social policy emerged early, with many believing that Treasury control subverted popular mandates. There was a strong sense until very recently that while the budget process was highly transparent and allowed for extensive public deliberation, these deliberations rarely influenced the size and allocation of the overall budget envelope. These concerns led to the 2007 decisions to move mandates like economic policy, planning, and spending performance to other parts of the government.

The Treasury's ability to control the budget process and force policy decisions in the government was much diminished over the Zuma years. Yet it retained power from the constitutional and legal framework, bolstered by the discipline imposed by markets, its technical capacity, and broad recognition of the importance of a capable central fiscal agency. Any threat to the National Treasury's ability, authority over fiscal choices, and broader policy direction has been met by immediate market reactions affecting the rand and the value of the stock market. Towards the end of the Zuma years, broad support from civil society, the private sector, and opposition parties helped the Treasury resist efforts to annex its powers.

#### **4.2 Parliament, the ANC, and the fight for accountability**

##### **Parliament and the executive**

As an accountability system, Parliament reflects global norms of representative democracy, a system in which political accountability is mediated:

*"The political officials who implement policies that have an impact on citizen welfare are not directly accountable to those citizens. Rather, they are accountable to representatives of those citizens. The **representatives**, in turn, are accountable to citizens to a greater or lesser extent depending on the properties of the electoral system and the state of electoral competition."*<sup>19</sup>

South Africa's parliamentary system is strongly rooted in the Westminster tradition although members are elected through pure proportional representation.<sup>20,21</sup> This system was chosen during a tense and violent transition to ensure the inclusion of small parties and

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<sup>19</sup>Laver, M. and Shepsle, K. A. (1999). Government Accountability in Parliamentary Democracy in Przeworski, A., Stokes, S. C., and Manin, B. (eds.), *Democracy, accountability, and representation*. Cambridge University Press, p.294; italics in original now in bold.

<sup>20</sup>Provincial legislatures are also elected by proportional representation. Local government is a hybrid of proportional and constituency-based elections.

<sup>21</sup>Typical of a Westminster-type system, however, the budget is tabled in Parliament only five to six weeks before the end of the previous fiscal year, and the Appropriation Act is adopted three or four months after the start of the fiscal year. The legal framework empowers the executive to use funds for purposes approved in the previous year. Such arrangements are seen as further weakening the oversight power of Parliament. See Wehner, J. (2006). Assessing the power of the purse: an index of legislative budget institutions. *Political Studies*, 54(4), pp. 767-785.

diverse voices in Parliament. Arguably, however, it has strengthened the role of political parties as critical intermediaries between citizens and their elected representatives, reinforcing the executive dominance typical of Westminster systems.<sup>22</sup>

The 1994 Parliament included senior politicians from all elected parties whose first task was to negotiate the Constitution based on the principles agreed at earlier multi-group negotiations. Committees, which were the new “engine rooms of parliament”,<sup>23</sup> were open to the public and the media, a deviation from pre-1994 practices where all committee meetings were secret. With many strong chairs, and a context of cross-party negotiation and debate, the early parliamentary committees established cross-party practices of holding ministers and officials answerable through Parliament’s legislative and oversight functions.<sup>24</sup> This was done with very limited resources: many committees did not have clerks and there were very few research staff.<sup>25</sup> Even so, committees demonstrated their capacity for substantively amending legislation, often drawing on presentations made by civil society and other informal actors, showing political will and the ability to operate independently from the executive and/or the ruling party.<sup>26</sup> However, Parliament’s oversight role weakened over time due to tensions between the accountability envisaged by the Constitution and the practices of a dominant governing party.

## **The ANC and Parliament**

Political parties and the party system are rarely mentioned explicitly in constitutions, even though fiscal governance depends on the nature of the party system and how this interacts with budget institutions and government formation.<sup>27,28</sup> For the first 30 years of democracy, South Africa was a “dominant party democracy”, in which the ANC was electorally dominant and lines of accountability flowed strongly from politicians in the government and Parliament to the structures of the governing party.

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<sup>22</sup> See for example Lijphart, A. (2012). *Patterns of Democracy*, Yale University Press.

<sup>23</sup> Obiyo, R. E. (2007). *SA Parliamentary Committee System: The Constitutional Parameters and Structure*. University of the Witwatersrand.

<sup>24</sup> Ibid

<sup>25</sup> Obiyo, R. E., (2007), and Monstad, T. (1999). *The New South African Parliament: An evaluation of Parliament’s oversight function of the executive*. University of Cape Town.

<sup>26</sup> Calland, R. (2007). *Anatomy of South Africa: Who Holds the Power?* Penguin Random House South Africa.

<sup>27</sup> Lupu, N. (2015). *Parties and Party Systems in Gandhi*, J. and Ruiz-Rufino, R. (eds.) *Routledge handbook of comparative political institutions*. Routledge. In South Africa, political parties are regulated by private law and are free to define their own operations. National legislation only attempted to regulate financial contributions to political parties after 2023.

<sup>28</sup> Hallerberg, M., Strauch, R. R., and Hagen, J. V. (2009). *Fiscal Governance in Europe*.

**Table 1. ANC vote share and effective control of governments**Source: Compiled from Independent Electoral Commission data, [link](#)

National/provincial election year	1994	1999	2004	2009	2014	2019	20244
Share of the national vote	62.7%	66.4%	69.7%	65.9%	62.1%	57.5%	40.2%
Provincial legislatures with ANC majority (out of 9)	7	7	7	8	8	8	5
Municipal election year	2000	2006	2011	2016	2021		
Local councils with ANC majority	68.4%	75.5%	76.9%	76.0%	56.0%		

For much of the post-1994 period, the ANC had outright control of most elected assemblies and little possibility of losing power. It was organized into branches with bottom-up decision-making and accountability to its elected structures.<sup>29</sup> Although creating strong momentum for egalitarian reform, this dominance presents obvious dangers for democratic accountability. When the dominant party controls both the executive and the legislature over an extended period, it may come to regard its own structures as a substitute for constitutional accountability mechanisms. Over time, the line between the party and the state can become blurred, especially if, as in South Africa, the governing party also oversees the appointment of civil servants. These dynamics increasingly weakened parliamentary oversight.

An early example was the enforcement of party discipline over alleged corruption in the arms deal during the 1990s. When some ANC members of Parliament wanted to go along with a parliamentary investigation, the structures of the party were used to override them, leading to the resignation of the chair of the ANC membership on the committee (see case study on the ANC and Parliament in Annex 1).

The repeated use of party structures to enforce control over Parliament in the Mbeki years laid the foundation for Zuma's exercise of state capture. The Zondo Commission dedicated half a volume of its report to Parliament's role, concluding that Parliament's failure to fulfil its constitutional duty of oversight allowed state capture to occur.<sup>30</sup> The report blames both

<sup>29</sup> See Darracq, V. (2008). Being a 'Movement of the People' and a Governing Party: Study of the African National Congress Mass Character. *Journal of Southern African Studies*, 34(2), 429–449, and Darracq, V. (2008). The African National Congress (ANC) organization at the grassroots. *African Affairs*, 107(429), 589–609. This type of party system has sometimes emerged in the wake of post-colonial democratic transitions. The ANC is similar to the Congress party in the first decades of Indian independence and the PRI's post-revolution dominance in Mexico. See Reddy, T. (2005). The Congress Party Model: South Africa's African National Congress (ANC) and India's Indian National Congress (INC) as Dominant Parties. *African and Asian Studies*, 4(3), 271–300. Another example of a dominant party in a democratic setting is the Japanese Liberal Democratic Party in the post-war era.

<sup>30</sup> Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector Including Organs of State Report, (2022), Part IV, Vol II, 283-481, [link](#).

the ruling party and systemic weaknesses in Parliament's oversight practices, including lack of support for portfolio committees. The submissions of ANC leaders to the Zondo Commission illustrate the extent to which the governing party saw constitutional institutions as subordinate to party structures. President Ramaphosa said the party remained foundational to the political system granted by the Constitution and that members of Parliament represent the party—not the people or themselves.<sup>31</sup> Similarly, in a 2017 submission to the Constitutional Court in 2017 on why the Court should not rule in favor of a secret ballot in a vote to recall the President, President Zuma argued that the application subverted the rights of the majority party in Parliament.<sup>32</sup>

Parliament only acted against President Zuma after the ANC elected Cyril Ramaphosa as party president. In February 2019, the ANC parliamentary caucus asked the President to resign or face an impeachment vote in which the ANC would vote with the opposition parties.

### **Parliament and the budget process**

The Constitution sets up the fiscal system so that only the executive, and particularly the Minister of Finance, can initiate budget legislation.<sup>33</sup> However, Parliament is enabled to amend these “money bills” through a procedure to be determined by legislation.<sup>33</sup> Parliament passed this Money Bills Amendment Procedure and Related Matters Act (MBAPA) in 2009, more than a decade after adopting the Constitution. The MBAPA provided procedural rules and criteria for Parliament to amend the executive's budget proposal and created a Parliamentary Budget Office to provide technical support for such amendments. This meant that in the first decade and a half of the democratic era, as the practices of the new system was institutionalized, Parliament could only endorse the budget proposal of the executive or risk the fall of the government.

The late operationalization of Parliament's budget powers is ascribed to concern from the finance minister that members' interest in re-election would lead to unsustainable spending commitments and loss of control over fiscal policy. Some argue that the push from within the ANC to finally enact the legislation was about attenuating the Treasury's role in the fiscal system after the Polokwane conference.<sup>34</sup>

Nevertheless, the MBAPA does not seem to have changed parliamentary oversight much. Some argue that it is not fit for purpose and puts an onerous burden on parliamentary committees, focusing attention on the minutiae of allocations and performance targets

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<sup>31</sup>Ibid

<sup>32</sup>CCT89/17, Heads of Argument, p. 39, [link](#).

<sup>33</sup>Constitution s77(3)

<sup>34</sup>See for example Pearson et al. (2016).

rather than strategic oversight.<sup>35</sup> Parliament is yet to make an amendment in terms of the act, and recommendations arising from the act have not been effected by the executive.<sup>36</sup> The legislation can be seen as enhancing the responsibility of the executive to answer to Parliament, as it requires the executive to respond to committees' recommendations at the end of an annual budget process. Nonetheless, it has not done much to sanction the executive or oblige the executive to take remedial actions.

One challenge is inadequate technical support for Parliament's budget role. Parliament was slow to institutionalize the Parliamentary Budget Office: the first director was appointed in 2012 and only half of the technical positions were filled by 2014.<sup>37</sup> While the office gained independence through a 2018 amendment to the act, it and Parliament remain under-resourced in terms of technical capacity relative to the volume of money bills processed every year, the limited time to respond, and the complexity of the budget. Some argue that the Office does not yet have the credibility to counter the Treasury's expertise on fiscal and budget policy and that committees are, therefore, unlikely to amend the executive's budget proposal.<sup>38</sup> This played out in the 2025 budget, when the Standing Committee on Finance recommended that Parliament approve the fiscal framework, conditional on the National Treasury and the Minister of Finance developing alternative proposals to reach the approved fiscal balance without increasing VAT.

Processes in most parliamentary committees are perceived to have weakened from the 4th to the 6th Parliament (2009–2024). The reasons include less experienced and/or committed committee members and the deliberate appointment by the ANC of weaker chairs.<sup>39</sup> This has adversely affected formal public access to the budget process. Civil society actors noted that there were few opportunities to participate in public hearings, which had long been an important opportunity for engagement with the executive. Commentators have noted, however, that some of this is starting to be reversed post 2024, with committees meeting more often, with better attendance and more participation by a more diverse range of actors.<sup>40</sup>

The budget approval phase nevertheless has remained a key point for exposure of budgetary issues through cross-actor engagements. The National Treasury has been commended for its 'lock-down' pre-budget session with media and expert commentators,

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<sup>35</sup> Nicol, M. (2023). The Committee System and the Need for Reform. PMG, [link](#).

<sup>36</sup> Ibid, and interviews. In recent years the AGSA has helped committees to produce the statutory Budget Review and Recommendation Reports, which has improved their quality.

<sup>37</sup> Ibid

<sup>38</sup> This was highlighted in interviews and is also reflected in Cronin, B. (2023). The 6th Parliament and the Budget Process: Lessons for the 7th Parliament, PMG, [link](#).

<sup>39</sup> This was highlighted in interviews, as well as in Pillay, D. and Meny-Gibert, S. (2023). State of Parliament and its MPs, PARI, [link](#); and in Chirwa, D. and Ntliziywana, P. Political Parties in South Africa: do they underpin or undermine democracy?, as quoted in Doyle, M., Rault-Smith, J., and Alli, R. (2022). Where was Parliament? PMG and the KAS.

<sup>40</sup> OUTA (2025). Parliamentary Oversight Report 2025, [link](#).

in which the Minister of Finance and Treasury officials are available for questioning while participants read the embargoed documentation. In the first decades of democracy, these “experts” were mostly journalists and analysts working for banks and bond traders. More recently, the sessions have been opened to civil society, substantially enriching public deliberation on the budget. Treasury officials also routinely attend all hearings of committees, enabling exchanges between civil society, the private sector, unions, parliamentary committee members, and senior public officials. The durability of these institutions was clear in 2025, when the Standing Committee on Finance’s procedures to deliberate on the fiscal framework were widely watched.

#### *4.3 The Auditor General as a check on power*

The AGSA is globally recognized for its proficiency. Its extensive annual reports on public sector audit outcomes are well-publicized and trusted evidence on the state of public administration and governance. The organization has invested in making findings understandable and supporting the media and Parliament, particularly the Standing Committee on Public Accounts, to interpret them. The incumbent Auditor General, Tsakani Maluleke, has focused the organization on improving the culture of the public service. Parliament has also played its role by appointing independent and technically capable Auditor Generals, which has not been universally true for other Chapter 9 institutions.

The AGSA’s independence and expertise are aided by its funding model. The AGSA charges auditees, including departments, for statutory audits much like a private sector audit firm would charge clients. This effectively exempts the AGSA from budget pressures affecting other oversight institutions. Its staff numbers have grown significantly since 2007, drawing on a large, well-established private auditing and accounting industry, and staff receives market-related pay. The Constitution states that the Auditor General can only be removed from office by a two-thirds majority of the National Assembly.

As discussed in Section 2, the Audit Act was amended in 2018, empowering the AGSA to sanction material irregularities more directly. By September 2023, R1.99 billion had been recovered of R14 billion at stake in the 266 material irregularity processes. Fifty officials were facing disciplinary actions, and 15 fraud or criminal investigations had been initiated. Of the 266 cases, 58% were already resolved or the AGSA has judged that appropriate actions were taken.<sup>41</sup> Overall, national and provincial audit outcomes are improving: the total value of irregular, fruitless and wasteful, and unauthorized expenditure declined from 2.6% of total expenditure in 2014/15 and 3.7% in 2018/19 to 2.2% in 2022/23.<sup>42</sup>

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<sup>41</sup>Resolved means that the department or entity has taken remedial action.

<sup>42</sup>AGSA. (2015), (2019), and (2023). Consolidated General Report on National and Provincial Audit Outcomes for the Year 2022/23.

While a strong AGSA is good for fiscal accountability, not everyone agrees with the growth in the powers of the AGSA, and scope, depth, and intensity of audits. Many say that stopping wastage and criminality in the use of public resources has come at too high a cost for effective and efficient use of resources in the ordinary management of the public service.

The first issue is flexibility to adapt to the vast array of activities in the public sector. For example, procuring highly skilled researchers to model the future impact of climate change is different to procuring desks for an office refurbishment, and may require deviations on how thresholds are applied. The argument is that the AGSA in practice applies the rules applying to institutions too narrowly. Respondents to this study noted that auditees do not have adequate recourse to challenge audit findings, while their management decisions are being questioned by auditors without the experience or insight to make technical calls. One risk is the perceived ease with which bad actors can leverage the tight compliance regime to get rid of good officials blocking their agenda. Respondents cited examples of competent officials leaving the public service rather than dealing with the consequences of adverse audit findings they do not agree with. There is also a sense of frustration that while good officials are put in a straitjacket, the AGSA did not find a lot of fraud or corruption during the worst years of state capture.

A second issue raised by many is that results-based management in the public sector is now governed by what is required to pass audits, rather than by the desire to improve performance. AGSA auditors, in their audits of performance information, effectively interpret and judge what are essentially management decisions about how to measure institutional objectives and the actions taken to reach them.

Additional issues include the opacity of aspects of the audit methodology, with auditees reporting different interpretations of the AGSA's standards between years and audit teams. Auditees also report spending a disproportionate amount of time managing audits and often need to appoint staff to deal with audits, diverting budget from their core mandates.

The AGSA argues that these criticisms are put forward by those who are implicated to attack its integrity, that audits are not oriented to find corruption and fraud, that its teams are highly professional and well-trained, and that complaints or dispute procedures are sufficient. It acknowledges a high audit burden for auditees. Since 2018/19, the AGSA has concentrated on high-impact institutions in critical service portfolios (e.g. health, skills development and employment, and energy)<sup>43</sup> and state-owned entities.

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<sup>43</sup> AGSA. (2023).

The AGSA's strongest defense, however, is that it is merely fulfilling its mandate and the real problem is elsewhere. The root of a stifled public sector is the increasingly dense regulatory environment, especially around procurement, as the National Treasury and other institutions have responded to corruption and irregularities with more regulations. An International Monetary Fund review of public procurement in South Africa found that in 2022/23, the procurement system had to comply with over 80 different legal instruments, while fragmentation and incoherence across instruments complicated compliance.<sup>44</sup>

If the AGSA insists that it is correct and issues its report, the final options for aggrieved institutions and officials are Parliament and the courts. Officials do not see much chance of persuading the Standing Committee on Public Accounts that a recommendation from the AGSA should not be endorsed. Now that the AGSA can direct accounting officers to issue debt notices, there is a much greater incentive for institutions to turn to the courts to test the AGSA's interpretation of laws and the associated directives and guidelines. This should over time confirm the reach and powers of the institution, but will be an expensive exercise for the taxpayer, who will ultimately pay for both sides' efforts.

Despite these criticisms and concerns, however, there is little doubt that South Africa would have been worse off without an independent and credible Auditor General acting as a check on executive discretion.

#### *4.4 Civil society and the courts*

##### **The evolving landscape of civil society**

Overall, South Africa's civil society is diverse and fragmented. Organizations vary widely in terms of what they do, their origin, and their political leanings. Civil society can coalesce to put pressure on the government, but it is also characterized by deep and shifting divisions. Commentators have noted rising tensions about funding and representation between grassroots membership-based organizations and those without a membership base that purport to represent the poor or other interest groups.<sup>45</sup>

In the last decades of apartheid, civil society formations led by churches, trade and labor unions, and activist organizations that mobilized communities were instrumental in achieving the democratic breakthrough. After the transition, the influence of civil society on public policy was initially direct and effective as the government drew on activists to fill key positions in government and to provide advice through policy networks. Many in civil society also felt it too early to criticize the new government.<sup>46</sup> But from the late

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<sup>44</sup> IMF. (2023). Public Procurement in South Africa, Issues and Reform Options, [link](#).

<sup>45</sup> Frye, I., Turton, Y., and Hlatshwayo, M. (2022). Social Justice Sector Review, The Raith Foundation, [link](#).

<sup>46</sup> Frye et al, (2022).

1990s, civil society formations increasingly found themselves opposed to and criticized by high-ranking politicians.

This more conflictual relationship was triggered first by civil society's vocal opposition to the Minister of Finance's market-oriented employment and economic growth strategy and then by activism against the government's policy not to make antiretroviral treatment available in state hospitals. In response, President Mbeki called civil society organizations (CSOs) agents of foreign powers opposed to the democratic transition. Ahead of the 2007 ANC elective conference, some elements of civil society mobilized alongside Mbeki's critics to oppose his re-election. Similarly, in 2017 and 2018 civil society rallied around the Public Protector, protested in thousands when Zuma fired Pravin Gordhan as finance minister, and campaigned against the Zuma faction ahead of the 2017 ANC elective conference, contributing to his ousting.

CSOs have helped strengthen fiscal institutions. Under the umbrella of Imali Yethu, a coalition of organizations campaigned for national budgets to be participatory and to serve as vehicles of social justice. Imali Yethu worked closely with the National Treasury to create Vulekamali, an interactive budget portal with up-to-date fiscal data and space for analysis and discussion papers.<sup>47</sup> The Budget Justice Coalition continues to build stakeholder understanding of the budget process and support civil society groups in this area, and makes frequent submissions to Parliament on budgetary matters.<sup>48</sup>

Membership-based social movements have used conflict and public protest to affect the fiscal landscape. Abahlali baseMjondolo, for example, grew out of informal settlement residents' protests on land allocations in Durban in 2006. It has campaigned on land, as well as for an end to forced removals and for access to education, water, electricity, sanitation, health, and refuse removal services. It is part of the Asivikelane network discussed in the box below.

Constitutional Court judgments have confirmed that Parliament needs to provide meaningful opportunities for citizens to participate in law-making. Parliament holds open and extensive public hearings twice a year and committee hearings include a broad range of stakeholders. The 7th Parliament has offered renewed platforms of engagement, including the institution of cluster media and stakeholder briefings held by clusters of committees. By September 2025, 15 of these had been held, with participation by over 1,000 individuals, including representatives from 250 CSOs.<sup>49</sup> However, there is no opportunity for the public or CSOs to participate meaningfully and directly in the budget

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<sup>47</sup> Vulekamali, [link](#).

<sup>48</sup> Budget Justice Coalition, [link](#).

<sup>49</sup> OUTA (2025).

process. A National Treasury experiment to hold pre-budget consultations, linked to its Open Budget commitments, was abandoned after two years. CSOs currently participate in the executive budget process through informal networks behind the scenes or through analysis and argument in the public domain.

### **Campaigns, coalitions, and networks**

Civil society has been most effective in shifting the policy landscape through coalitions and campaigns focused on specific issues. These have sought to change policy and hold the government accountable for allocative choices and the execution of budget processes.

The Treatment Action Campaign (TAC), launched in 1998 by activists to improve access to HIV/AIDS treatment in public hospitals and clinics and improve understanding of the disease, was a watershed example of how civil society could affect the system and spending decisions as an informal actor. The campaign mobilized significant numbers in protests, built broad coalitions, and drew on legal and scientific expertise.<sup>50</sup> This coalition secured a landmark judgment in 2002, when the Constitutional Court found that the government's failure to provide the therapy Nevirapine was inconsistent with its constitutional obligation to progressively realize the right to healthcare within available resources.

This is not the only instance of multi-actor coalitions contributing to more equitable policy and budget commitments. The Congress of South African Trade Unions, the South African Council of Churches, and the official opposition party campaigned together for a basic income grant. While that proposal was not accepted, the campaign was instrumental in the Children's Act and a child support grant in the social transfer system in the early 2000s. Subsequent campaigns focused on incremental increase in grant eligibility from under seven to under 18, bringing 10 million more children into the safety net.

This coalition was also essential in establishing the temporary social relief of distress grant during the COVID-19 pandemic, which is now on its way to becoming a permanent basic income grant—showing how cross-actor engagement can lead to large-scale change. The development of the framework for payment of these grants involved the President, the National Treasury, the Department of Social Development, other national government departments, research organizations, experts, and CSOs bringing different sets of expertise to the table.<sup>51</sup>

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<sup>50</sup>Heywood, M. (2009). South Africa's Treatment Action Campaign: Combining Law and Social Mobilization to Realize the Right to Health, *Journal of Human Rights Practice*, 1(1), pp. 14-36.

<sup>51</sup>Chilenga-Butao, T. (2022). Policy in the time of pandemic, UNU-WIDER, [link](#).

For CSOs focused on holding public actors accountable, partnerships with formal oversight actors are important as they help to directly enforce consequences for decision-makers. For example, the Health Sector Anti-Corruption Forum, established in the middle of the COVID-19 pandemic and convened by the Special Investigating Unit, includes representatives from civil society, law enforcement agencies, health sector regulators, government departments, and the private sector. The Forum has established working relationships that allow actors to connect to state agencies on issues in sectors other than health. Its work has resulted in the referral of 20 cases of corruption to the National Prosecuting Authority. The relationships also mean that CSOs can offer safe conduits for whistleblowers.

Since 2020, the AGSA has broadened its audit approach to incorporate engagement with CSOs. For civil society, the AGSA is a channel for improving formal accountability and public systems. For the AGSA, CSOs help to engage communities on the ground and identify relevant service-related audit topics. It also sees CSOs as critical in disseminating its messages to citizens, and to help advocate for and monitor the implementation of audit recommendations.

These coalitions can help to ‘unstick’ systems when progress on equity or accountability is stalled. Change through collaboration has often been driven by an innovative individual or a small group. The Asivikelane case outlined below (see full case study in Annex 1) illustrates how a partnership between civil society, communities, and actors like the AGSA led to constructive engagement between municipalities and informal settlement communities. Annex 1 includes a similar case study of the non-governmental organization Ilifa Labantwana, which has helped to strengthen equitable access to and the quality of early childhood development services by co-creating institutions, strategies, and practices.

### **Box 2: Multi-actor partnerships to improve information settlement services**

For over a decade, anger in more than 4,000 informal settlements at lack of services has erupted into protests.<sup>52</sup> Poorly maintained, broken, and vandalized infrastructure and illegal connections from communal taps to households led to significant water leakage and very poor flow rates. Vandalism, poor maintenance, and flushing of unsuitable materials mean that toilets are often broken, blocked, and over-flowing. Contracts to provide, maintain, and clean facilities are often not managed well and contractors do not deliver. Residents do not have addresses to use fault reporting systems, so faults are not reported.

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<sup>52</sup>Mamokhere, J. and Kgobe, F. (2023). Service delivery protests in South African Municipalities: Trends, factors, impacts and recommendations, *Social Sciences and Education Research Review*, 10(2).

Asivikelane is a multi-organization initiative to improve access to basic services in informal settlements. It leverages its knowledge and relationships to improve public financial management and delivery systems. It was founded during the COVID-19 pandemic by a national nongovernmental organization working with community leaders and community-based organizations. After educating members on municipal budgets, structures, and processes, Asivikelane regularly surveyed settlement residents on services across metros and large towns. It publicly reported and discussed the results with municipal officials. Initially, officials were wary of breaking rules, worried about the legitimacy of Asivikelane as a representative of the communities, and felt they could not embark on maintenance outside of formal fault reporting systems.

As trust was built over time, the organization engaged extensively with officials, who benefitted from new information and access to communities. Services improved the longer a settlement was in the program and city administrations began cancelling existing contracts and restructuring procurement based on engagement with the initiative. Since 2022, Asivikelane has worked in an increasingly close partnership with the AGSA, involving engagements on the critical systems gaps for better services, support for audits in the field, and the sharing of data collected by audits and by Asivikelane.

In 2023, Asivikelane started brokering conversations on how to improve services between informal settlements, municipal officials, Chapter 9 institutions, other public institutions, donors, private sector providers, and officials from provincial and national government. These relatively new Asivikelane hubs show promise. In Tshwane metro, for example, work on waste management between communities and the municipality has led to the piloting of a better service delivery model for informal settlements.

Not all civil society action, however, is equally informed by the Bill of Rights in the Constitution and equity. There are many civil society organizations with active campaigns that are based on narrow interests, such as AfriForum with its white genocide narrative, and the anti-migrant Operation Dudula movement, which has been accused of hate speech and unlawful conduct. The latter's growing influence has been linked to promises by one provincial premier to raze informal settlements, widely condemned including by the Human Rights Commission, demonstrating how civil society can influence government action, but not necessarily in ways that uphold human rights and promote equity.

### **Litigation for constitutional rights**

The Constitution provides a legal foundation for citizens to seek redress for accountability failures. The courts are empowered to adjudicate on the government's obligation to

progressively achieve human rights. Civil society, led by public interest law organizations, has played a key role in using public interest litigation to compel the state to act on rights.<sup>53</sup> The current use of the courts and law for change builds on a long history of resistance to apartheid through the law.<sup>54</sup>

The Constitutional Court's Grootboom judgment in 2000 found that the justiciability of rights to education, health, housing, and other goods was "beyond question", implying that it is appropriate for the court to resolve disputes on these matters.<sup>55</sup> This may include policies to achieve the progressive realization of rights and the state's minimum obligations, which could be decided and enforced by courts on a case-by-case basis. The TAC judgment was one case that underscored the state's minimum obligations. From 2009, a series of cases challenged the allocation of resources and implementation of policies to realize the rights to basic education. The first case was brought by the Legal Resources Centre on behalf of unsafe, overcrowded mud schools in the rural Eastern Cape.<sup>56</sup> The provincial government settled out of court, providing relief to the specific schools. But the case also led to a national government commitment to allocate over R8 billion to address school infrastructure gaps.

In these cases, public interest litigation forced the executive to change policies and adjust budget allocations. However, when a poor community in Johannesburg tried to argue against increases in their water tariffs and prevent the installation of prepaid meters, the judgment held that the courts cannot determine precisely what the achievement of any social or economic right entails or what steps the government should take to ensure its progressive realization. The state's obligation is to take reasonable measures within its available resources to improve access.<sup>57</sup>

Civil society has also led cases to prevent irregular or corrupt use of state resources, in line with the constitutional and statutory provisions on procurement, administrative justice, and accountable use of state power.<sup>58</sup> These cases are often brought by affected individuals and companies who seek redress, but CSOs have used the courts to force the government to explain decisions or seek accountability in the public interest. One example, detailed in Annex 1, is the Black Sash Trust and others versus the Minister of

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<sup>53</sup>Budlender, S., Marcus, G., and Ferreira, N. (2014). Public Interest Litigation and Social Change in South Africa: Strategies, tactics and lessons. The Atlantic Philanthropies.

<sup>54</sup>Brickhill, J. (2018). Public Interest Litigation in South Africa. *The Advocate*, 31(3), 36-43.

<sup>55</sup>Government of the Republic of South Africa and Others v Grootboom and Others (CCT 11/00) [2000] ZACC 19; 2001 (1) SA 46; 2000 (11) BCLR 1169 (4 October 2000).

<sup>56</sup>Skelton, A. (2014). Leveraging funds for school infrastructure: The South African 'mud schools' case study. *International Journal of Educational Development*, 39, 59-63.

<sup>57</sup>Mazibuko and Others v City of Johannesburg and Others, (2009).

<sup>58</sup>Section 217 of the Constitution determines that procurement should be fair, equitable, transparent, competitive, cost-effective, and implemented in a manner that protects previously disadvantaged people. Section 33 states that everyone has the right to administrative action that is lawful, reasonable, and procedurally fair, and the right to written reasons when they are adversely affected.

Social Development, which held the Minister accountable for her failure to ensure that the social security agency could pay social grants to millions of people after an illegally awarded contract was suspended. A court-ordered investigation found that the Minister had perjured herself by blaming the agency and ordered her to pay the litigation costs personally. In 2022, moreover, the former Minister was found guilty of perjury.

Political parties, often joined by CSOs, have also used the courts to enforce constitutional norms (see detailed discussion in Annex 1). In 2016 Chief Justice Mogoeng Mogoeng gave poetic force to the role of courts in a unanimous judgment that found President Zuma in breach of the Constitution for failing to repay the cost of renovations at his homestead as ordered by the Public Protector, and Parliament in breach for absolving Zuma from compliance with the order:

*"... public office-bearers ignore their constitutional obligations at their peril. This is so because constitutionalism, accountability and the rule of law constitute the sharp and mighty sword that stands ready to chop the ugly head of impunity off its stiffened neck."*<sup>59</sup>

#### **4.5 Transparency, access to information, and the media**

The media, civil society, academics, the courts, and constitutional bodies have played critical roles in informing public debate on accountability failures in the executive and Parliament. It is widely held that the evidence produced by the media, researchers, and public policy advocates on corruption and the executive's performance was crucial in creating pressure for change and spurring popular mobilization.

Transparency, freedom of speech, and media freedom are key principles of the Constitution.<sup>60</sup> South Africa maintains some of the highest levels of formal budget transparency in the world and authorities are proactive in extending transparency. The country also adopted a modern Promotion of Access to Information Act (PAIA) in 2000, but implementation has not been smooth. From as early as 2002, public offices resisted providing information on demand, raising costs for civil society and the media to access information that should be supplied on request.<sup>61</sup> The PAIA civil society network, which monitors government responsiveness, has reported declining willingness to provide information since then. A new regulator has been established to monitor compliance with the act and report to Parliament.<sup>62</sup>

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<sup>59</sup> Constitutional Court of South Africa. (2016). Judgement in Cases CCT 143/15 and CCT 171/15, p. 4.

<sup>60</sup> Section 32 of the Constitution states that "everyone has a right of access to any information held by the state and any information held by another person that is required for the exercise or protection of any rights."

<sup>61</sup> It took 12 years of court battles after a PAIA request by the Mail and Guardian newspaper for the President to release the Khampepe Report on the findings of two South African justices appointed by Mbeki to investigate constitutional and legal issues in the Zimbabwe elections.

<sup>62</sup> Corruption Watch. (2021). The Access to Information Network and PAIA, [link](#); Right2Know. (2014). R2K Secret State of the Nation 2014. Cape Town, Right2Know.

Constitutional guarantees of freedom of expression, including freedom of the press and other media, were hard-won. South Africa had a vibrant media tradition in the period of British imperialism, but the apartheid state censored the media by law, with powers to suspend newspapers, ban texts, and target individual journalists. In the democratic era, investigative journalism has been central to exposing government abuse of power and corruption, often cooperating with and triggering action by other accountability actors.<sup>63</sup> This rigorous approach is not limited to the government: the media has also exposed fraud and large-scale corporate theft in the private sector.<sup>64</sup>

As a result, the relationship between the media and the ANC, as the dominant party, has often been prickly and contradictory. On the one hand, the media was harnessed to reflect battles between ANC factions in the public domain, including through the press and social media. Different factions had support from different media houses. For example, at the height of the state capture period, the Gupta brothers owned a major news TV channel and a national newspaper, which were used to promote pro-government news stories and support Zuma's faction. Bell Pottinger, a UK-based public relations firm, was employed by the Guptas to run a campaign later linked to fake social media accounts to change the media narrative in Zuma's favor by portraying him as a champion of economic emancipation.<sup>65</sup>

On the other hand, powerful politicians and some government agencies have attempted to curb media freedoms. Some within the ANC, accusing the media of racial bias or lack of patriotism, have attempted unsuccessfully to change the law to roll back media freedom. The ANC has long held the view that an untransformed media does not sufficiently publicize the progress made since 1994. Journalists are targeted on social media and threats also come from outside the state. Jacob Zuma, who remains a powerful political figure after being removed from office, launched a private prosecution in 2022 against the reporters covering his corruption case in what was widely seen as an act of intimidation.<sup>66</sup>

In addition, tensions exist between media freedom and the intelligence functions of the state. The Protection of the State Information Bill proposed significant constraints on media freedom. Newspapers and journalists successfully challenged bulk surveillance and interception of journalists' communications, which was provided for in the bill.

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<sup>63</sup> Examples include the arms procurement corruption accusations (see case study); the links between a police commissioner and drug syndicates; links between the ANC and Hitachi, a company that won lucrative deals in building the new power stations; illegal travel expenses claimed by parliamentarians; suspicious contracts with Bosasa; the use of state resources on Nkandla; the Gupta leaks; textbook corruption; Transnet and Passenger Rail Agency of South Africa procurement; and many more. See Haffajee, F. (2020). Can Ramaphosa tame his corrupt hyenas? Daily Maverick, [link](#); Kok, A. (2021). The Role of Investigative Journalism in Uncovering Organised Crime and Corruption in South Africa, RUSI, [link](#).

<sup>64</sup> See, for example, Mackune, C. (2018). Steinhoff's secret history – How Markus Jooste's scam began.

<sup>65</sup> Cave, A. (2017). Deal that undid Bell Pottinger: inside story of the South African Scandal, Mail and Guardian, [link](#).

<sup>66</sup> Harber, A. (2022). South Africa's Jacob Zuma is taking a top reporter to court. The Conversation, [link](#).

Media ownership remains concentrated and can be said to reflect mostly elite concerns in a highly unequal society. Privately owned media houses have shrunk, with titles closing or amalgamating on shared online platforms. The hundreds of community radio stations, an important medium for local engagement, news, and accountability, are struggling financially. Advertising revenue that used to flow to South African outlets are now being shared with global media as news digitalizes, with tech giants' algorithms dictating what readers see. The resulting leakage of skills from the media will affect the quality and diversity of news and information available.<sup>67</sup> The public broadcaster has long been in severe financial difficulty, limiting its ability to provide impartial, quality news and analysis. It has also faced battles on the editorial independence of the newsroom from government influence.

## 5. CONCLUSION

This paper explored how power and accountability are distributed within South Africa's fiscal system by analyzing how national budget spending decisions and accountability involve the executive, Parliament, and a range of both formal and informal state and non-state accountability actors. The fiscal ecosystem can be analyzed through multiple lenses—other examples include revenue, the fiscal framework, provincial and municipal budgets, or mainly through relationships within the executive. Such perspectives would make good future research subjects and no doubt enrich the analysis presented in this paper. Even so, it is likely that a different lens would also highlight the extent to which the real distribution of power within the system differs significantly from concepts envisioned in the Constitution.

In this conclusion, we summarize our findings on the subject in three sections. First, we present conclusions on the real distribution of power between institutions and actors in the system. Second, we draw main lessons on the drivers of more accountability and equity in the system, and third, we highlight priority areas of action to strengthen equity and accountability in the South African fiscal ecosystem over the short to medium term.

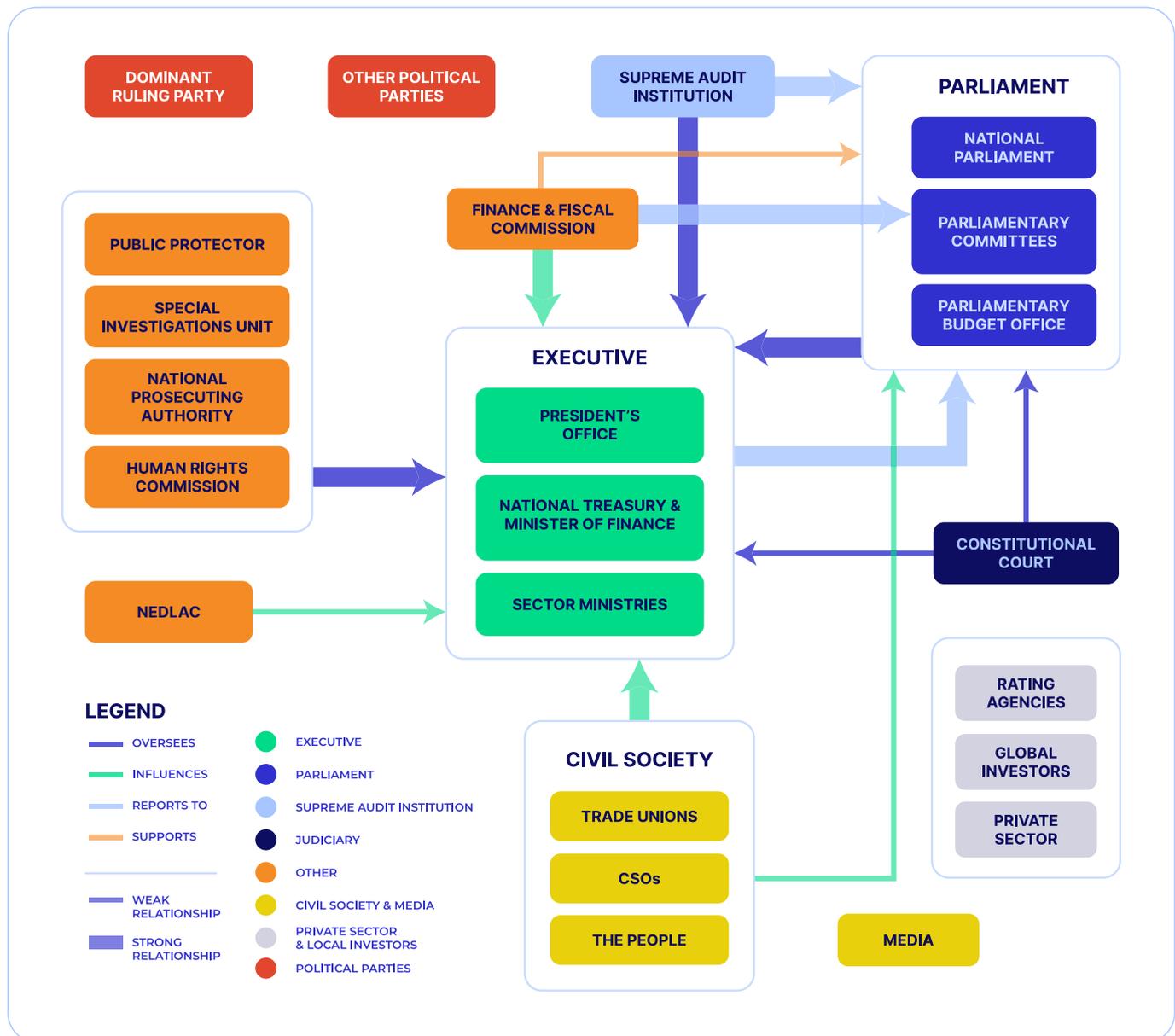
### 5.1 *The fiscal ecosystem in practice*

Up until 2024, the real distribution of power within South Africa's fiscal system differed significantly from the concept envisioned in the Constitution and subsequent legislation. Figure 2 depicts the fiscal ecosystem as it has functioned. Rather than accountability being enacted through the processes and decisions of Parliament, it has emerged through a mix of actions, contestation, and collaborations in the public domain and the courts by formal and informal accountability actors. At critical moments, such as during the period of state capture, these forces were able to rally behind demands for accountability.

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<sup>67</sup> Govenden, P. (2024). South Africa's media have done good work with 30 years of freedom but need more diversity, Newsletter, Wits Journalism, [link](#).

**Figure 5. The de facto accountability ecosystem**



The formal accountability relationships envisaged by the Constitution to constrain political power have operated selectively, at best. The AGSA has kept a check on corruption, supported by its constitutional mandate and financial independence. The National Treasury played a central role, especially in the first decade, rooted in its constitutional powers, technical capacities, and integration with financial markets. But accountability to Parliament was supplanted by the answerability of individual ANC members serving in public institutions to the party. These relationships weakened the capacity of constitutional institutions to sanction public officials. At times, ANC political dominance helped to define the national agenda in service to the Constitution; at other times, the party used its majority to undermine Parliament and prevent executive office-bearers from being held accountable.

The media has been a central accountability actor in investigating and reporting on integrity lapses in the use of public funds and on poor delivery of public commitments. Here the Constitution's commitment to media freedom was key—and has been backed by civil society when threatened.

Civil society has secured important pro-equity budget policy shifts through multi-pronged campaigns involving broad coalitions across civil society and with state actors. Likewise, the myriad collaborative partnerships between (and instances of collective action by) formal accountability actors—such as the Chapter 9 institutions and investigative agencies—and informal actors like civil society also helped to constrain the power of the executive.

Finally, as is often the case, the Minister of Finance and the central fiscal institution, the National Treasury, is an important channel of accountability between the state and capital markets. The fiscal ecosystem, through instruments like transparency, also strengthened the ability of investors to impose sanctions and hold the government accountable on issues of concern to the private sector.

## ***5.2 Lessons for fiscal accountability***

The South African case illustrates pathways towards more open fiscal systems, stronger accountability, and more equity in budget outcomes. It shows how the formal system of checks and balances between state institutions and actors can be strengthened and, crucially, how citizens and civil society can bolster their ability to influence fiscal decisions and hold state actors accountable.

### **Institutional reforms for fiscal accountability**

South Africa's experience demonstrates that large-scale institutional reform with strong political backing can strengthen accountability and improve fiscal outcomes. This runs contrary to the experience of many countries where top-down, technocratic reforms often fail to improve budgets or accountability.

The 1994–2008 period is a good example of changing fiscal outcomes—including equity—through the formal reform and improvement of public institutions. And those reforms had an enduring impact. Embedded principles such as fiscal transparency, integrated and centralized decision-making, clear lines of technical accountability, and enforcement by independent institutions not only survived the state capture years but were key elements in mobilizing a response to the constitutional threat posed.

The process of building and entrenching the culture of accountability often involved incremental reforms and the difficult daily grind of demanding explanation. This required

capable actors who could leverage the formal system into action. This paper has shown how the AGSA became a bulwark for formal lines of accountability as other checks and balances were weakened.

While strong formal fiscal institutions were necessary for technical and mandate accountability, they were not sufficient. Reforming institutions requires both political backing and independent leadership. For example, reforming the role of Parliament in the budget process through the MBAPA did not lead to better fiscal outcomes or accountability. And fiscal institutions would not have prevailed through the Zuma years without independent courts and a capable media. Equally, the Treasury may not have been able to hold the line on state capture without the accountability enforced by financial markets.

### **The role of political power and political parties**

There is a close connection between the exercise of political power and fiscal decision-making. In 1994 the ability to create durable institutions relied on the electoral dominance of the ANC, which delegated fiscal power to the Minister of Finance and the National Treasury. A strong ANC enabled the establishment of strong fiscal institutions, the reining in of public debt, and the reorientation of public spending to basic services for the poor. Later, however, this political dominance became the platform from which the fiscal institutions were challenged as the party leadership wrestled to control public resources without the nuisance of orderly, transparent fiscal processes. Increasingly arbitrary and opaque decision-making in the executive went unchallenged by Parliament as state capture took hold.

In 2025, the previously predictable budget process was thrown into disarray by the lack of a clear political mandate for execution through the state's fiscal institutions. The 2025 budget demonstrated that the centralization of fiscal power in the Minister of Finance, which previously anchored orderly fiscal governance, does not necessarily hold in a coalition government. Some other mechanism is needed to establish a political mandate to underpin the budget.

### **Coalitions, collective action, and civil society**

Greater collaboration between state actors and civil society can strengthen accountability. While legal decision-making and accountability relationships are difficult to shift, party politics and collaborations and coalitions across institutions can be dynamic and responsive to changing conditions to constrain political power. Civil society's engagement on the allocation and use of public resources illustrates the point. Collective action on multiple fronts has resulted in real influence on fiscal decisions and accountability for decisions made—which is difficult to achieve when organizations act alone.

Several factors were important to these successes. First, while the campaigns were issue-specific, they paid close attention to the fiscal realities of the government and its systems and invested in technical capacity to engage the state on its own terms. Second, they combined engagement and discussion with state actors with public campaigns and protests to build their bargaining power. Third, they built coalitions with and offered value to the government or state agencies and actors. Fourth, the legitimacy and societal weight of campaign issues played a key role. CSOs and campaigns such as the TAC, the basic income grant, and Asivikelane succeeded in combining popular issues with the use of evidence and technical policy contestation to win the day. These collaborative experiences between civil society and state actors are in line with the emerging global understanding on how collaborative governance arrangements can work.<sup>68</sup>

### **Public-interest litigation**

South Africa has provided fertile ground for constitutional activism and public-interest litigation, given the salience of justiciable socioeconomic rights in the Constitution. Activism and the use of the courts have been important in addressing specific issues while generating wider consequences by setting precedents, imposing sanctions, and institutionalizing accountability. The availability of this pathway to greater fiscal accountability depends on the system of government, the scope of laws and jurisprudence, judicial independence and freedom from political interference and accountability, the operation of the court system, public trust in law, and the government's de facto stance on the rule of law.

### **The media and public deliberation**

The media is a necessary pillar of an open and accountable fiscal ecosystem. The commercial media has helped hold institutions and actors accountable for decisions about public money. Investigative reporting on corruption and wrongdoing has helped to drive corrupt politicians and officials out of office. The public, commercial, and community media, and of late social media, have helped to educate and inform the public on fiscal matters and offered platforms for debate. Nonetheless, media agencies have their own commercial interests and political leanings. In recent years, social media has allowed perfidious actors to manipulate public opinion through false means. An independent media is part of the fiscal accountability landscape, but it also needs to be held accountable.

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<sup>68</sup> See for example Ansell, C. and Gash, C. (2007). Collaborative governance in theory and practice. *Journal of Public Administration Research and Theory*, 18, 543–571.

### 5.3 What next?

South Africa's fiscal ecosystem is at a crossroads. The first period of democratic institution-building centralized fiscal power in the executive at the cost of parliamentary oversight. Power was held in check by a constitutionally and politically empowered Minister of Finance and a Treasury committed to accountability and progressive, if gradual, realization of socioeconomic rights. Strong fiscal institutions were established, with rule-based fiscal processes backed by presidents interested in state building.

The second period upended this status quo, laying bare the pitfalls of concentrating fiscal power in the executive given that not all presidents would put the national interest over their own. As the delegation of fiscal powers to the finance minister weakened, and the President and other ministers cut the Treasury out of decisions with significant budget implications, weak parliamentary oversight became a serious problem. Instead, other state and non-state actors—including the AGSA, the Public Protector, the media, and the courts—stepped up to stop powerful political leaders and hold them to account.

Despite the shift to a coalition government, the diffusion of political power, and signs of a revived Parliament, it is not yet clear how the third period will reshape fiscal institutions. There is an opportunity to address core accountability challenges in the ecosystem. This could result in a deeper, more vigorous dialogue based on stronger collaboration between accountability institutions and revived parliamentary oversight, which may endure even if single-party dominance returns—if the opportunity is taken.

Accordingly, we highlight four areas where intervention by actors, from the President and the National Treasury through Parliament to civil society and business, is needed to leverage opportunities and stave off threats to accountability and equity.

First, **political mandating mechanisms need to be formalized.** During the first two decades of South Africa's democracy, an informal mandate system was sufficient to enable orderly fiscal governance because the President, the Minister of Finance, and the majority party ensured an effective agreement on fiscal matters. In the absence of such agreement, and now under a coalition government, a different institutional approach is needed. This aligns with global experience on coalition governments, especially those composed of parties with critical ideological differences. South Africa needs a clear fiscal accountability framework for the national executive, which will also serve as a clear mandate for key fiscal actors like the National Treasury and Parliament. Such a framework would consist of clear and explicit commitments on tax policy, spending priorities, and the principles of fiscal policy that will guide the administration over its term of office. The power of an explicit political mandate is to force the parties that represent this majority to make explicit, structured, and common realistic public commitments to budget and fiscal policy goals as a prerequisite

for entering executive office. This would establish a clear and legitimate political mandate for the finance minister and the National Treasury, re-establish the authority of the budget process, and reduce the likelihood of last-minute crises.

Second, **independent comprehensive public finance reviews should be institutionalized**, linked to the mandating mechanism. The National Treasury already reviews expenditure. Reviews focus on sub-sectors, specific programs or services to identify how services can be delivered more cost-effectively. While these reviews can improve spending on specific areas, they are not suitable for comparing sectors, programs, or services. Moreover, they are not sufficiently independent and not linked to an institutionalized political process to make decisions based on the information. There is an urgent need for more comprehensive, independent reviews to reduce public debt and identify inefficiency and wastage, while continuing to prioritize critical spending areas.<sup>69</sup> In the long term, implementation of such reviews can be linked to the political mandate proposed above to institutionalize political decision-making following such reviews. Together, the start-of-term fiscal accountability framework and the end-of-term public finance review would bookend the political term of governments, providing a robust framework for executive accountability.

Third, **the oversight operations of Parliament should be strengthened** so that it can fulfil its oversight role better. Parliament does its oversight work in its portfolio and standing committees. These committees also establish a vital platform for civil society and the media to channel accountability efforts. The combination of parliamentary government and a party-list electoral system will always constrain the robustness of parliamentary oversight over the executive. However, these constraints have been exacerbated by weaknesses in a committee system that needs reform. Reforms might include strengthening the capability of the Parliamentary Budget Office to play a credible and effective role in fiscal and budget oversight; strengthening the committee support system; making the 7th Parliament's decision to distribute committee chairpersonships proportionally between parties permanent; and putting in place a system to keep track publicly of resolutions and recommendations stemming from key parliamentary budget cycle reports, such as SCOPA's oversight reports and portfolio committees' Budget Review and Recommendation Reports. In addition, the National Treasury should work with Parliament to review the budget calendar for better oversight: reforms could include separating the Medium Term Budget Policy Statement and the Adjustment Budget, and tabling the budget proposal well before the start of the fiscal year to allow more time for parliamentary processes.

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<sup>69</sup> A reformed and strengthened Financial and Fiscal Commission could be responsible for the review, which would put it at arm's length of the executive and Parliament.

Fourth, **addressing the financial crunch faced by the media and civil society.** The continued capability of the media and civil society is decisive for the fiscal ecosystem because of their ability to speak up when things go wrong. Yet, shifting models of media funding and rapid scaling down of global private and bilateral funding pose serious threats to their survival. Advocating for more domestic social responsibility funding to flow to public interest organizations working on public governance and fiscal issues, or reporting on the allocation and use of public money, should be a priority for actors with an interest in open and accountable fiscal governance.<sup>70</sup> One option might be to create an independent non-public fund, mobilizing and pooling resources from global and local donors to promote fiscal accountability and the progressive realization of constitutional rights. With strong governance, grant-making, and oversight capacity, this fund could provide grants to organizations under clear criteria relevant to the promotion of fiscal accountability and equity. Such a fund would strengthen the financial sustainability of the media and civil society, and may mitigate recipient concerns about independence and donor concerns about association with, what may be at times, criticisms of the government.

#### *5.4 Summing up*

This case study has illustrated a lot that is good in South Africa's fiscal ecosystem. The country has strong executive institutions; independence for the courts and the supreme audit institution; very high levels of fiscal transparency; a capacitated media with a constitutional guarantee of freedom; and a capacitated and engaged civil society, capable of collective action. The challenge is to build on and protect these institutions, while strengthening the elements that have not worked well. This is a moment of opportunity to address some of these weaknesses, including by strengthening Parliament and making the relationships between political parties, executive government, and state resources more explicit. In strengthening its ecosystem, the country will increase its commitment to accountability and equity.

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<sup>70</sup> South Africa's corporate social responsibility spending was worth over R12 billion in 2024 and growing, but only 2% was spent on social justice and advocacy (see Trialogue, (2025), Business and Society Handbook, 2024).

## 6. ANNEX: ILLUSTRATIVE CASE STUDIES

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### **Case study 1**

#### *Parliament and the ANC*

#### **The arms deal**

Respondents cited the 2001 incident around a large armament procurement as an important moment. In 2000, after hearing testimony from the AGSA and others, the Standing Committee on Public Accounts (SCOPA) chaired by opposition Member of Parliament Gavin Woods, initiated a parliamentary investigation into South Africa's arms procurement deals.<sup>71</sup> The National Assembly passed a resolution to support SCOPA and asked that the Special Investigating Unit investigate the matter. Mbeki refused to grant permission for the Unit to participate in the investigation and was reportedly furious that the ANC in Parliament had agreed to the resolution. The ANC members of SCOPA were called to account before the party committee providing political direction to ANC members of Parliament. It was made clear that whereas SCOPA ANC members could previously act independently, they would now be subject to political direction. Following this the Speaker of Parliament, Frene Ginwala, a member of the ANC's National Executive Committee, said in correspondence with the Deputy President Jacob Zuma that Parliament's resolution should not be interpreted as an instruction to the executive, which was responsible for initiating SIU investigations.

In early 2001, ANC SCOPA members were called to additional meetings where they were told that the ANC, as the majority of SCOPA members, must retract support for SCOPA's demand and end its involvement in investigation. Andrew Feinstein, who was Chair of the ANC's SCOPA study group, was tasked to deliver a press statement to this effect. After conferring with SCOPA Chair Woods, Feinstein had second thoughts and retracted the press statement. He was then replaced as study group chair. Tony Yengeni, the ANC Chief Whip (who was later found guilty in a court of law of accepting a bribe during the arms deal) announced publicly that SCOPA would no longer operate independently of the ANC, explaining that in "our system, no ANC member has a free vote". When Speaker Ginwala's involvement became public, the opposition DA called for a motion of no confidence in the Speaker. This was rejected by the entire caucus of the ANC, except for Feinstein, who abstained and later resigned as a member of Parliament and the ANC.

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<sup>71</sup>This account is based on Feinstein, A. (2017). *A Matter of Conscience – my refusal to vote with the ANC*, Daily Maverick; Holden, P. and Van Vuuren, H. (2011), *The Devil in the Detail*, Jonathan Ball Publishers

## Parliament in the state capture period

The Public Protector ruled in 2014<sup>72</sup> that President Zuma had been unduly enriched by the construction of a visitors' center, amphitheater, cattle kraal, chicken run, and swimming pool using public funds at his personal residence in Nkandla. These "non-security features" had been paid for out of the police budget as part of a security upgrade to the residence. The Public Protector ordered that the President personally reimburse the state. In response to the Public Protector report, the National Assembly set up two ad hoc committees to examine this report alongside a report compiled by the police minister. After endorsing the report by the police minister, which exonerated the President, the National Assembly passed a resolution absolving the President of all liability. In response, opposition parties began legal action.<sup>73</sup> In March 2016 the Constitutional Court ruled that the Public Protector's remedial action was binding on the President and that the President had failed to comply with his constitutional obligations. It also set aside the National Assembly's resolution, finding that Parliament was in breach of its constitutional duty to hold the President accountable. Opposition parties brought a second case to compel Parliament to make rules providing for the removal of a President, as mooted in the Constitution. The Constitutional Court again found Parliament in breach of its constitutional duties of oversight and accountability. Parliament finally complied with this order in 2018.

Evidence before the Zondo Commission of Inquiry<sup>74</sup> in 2021 further demonstrated the extent to which the ANC in Parliament continued to shield ANC leaders deployed in the executive and state-owned companies. A key issue was the failure of three parliamentary portfolio committees to investigate allegations of corruption. Of the four committees tasked with investigating allegations by the House Chairperson of Committees in 2017, only two presented reports.<sup>75</sup> The Speaker of the National Assembly, Thandi Modise, told the Commission it was "regrettable" that Parliament had woken up to state capture late despite allegations to the role of the Gupta family by senior ANC members as early as 2016.<sup>76</sup>

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<sup>72</sup> The Public Protector's ruling came after the Joint Standing Committee on Intelligence, based on closed-door sittings, had found in 2013 that the upgrades were for security reasons, citing crime in the Nkandla area, earthquakes, and a growing trend of political assassinations.

<sup>73</sup> *Economic Freedom Fighters v Speaker of the National Assembly and Others; Democratic Alliance v Speaker of the National Assembly and Others* [2016] ZACC 11; *Economic Freedom Fighters and Others v Speaker of the National Assembly and Another* [2017] ZACC 47; PMG, 2024, *State Capture and Parliament*, [link](#).

<sup>74</sup> The Zondo Commission. (2022). Footnote 28.

<sup>75</sup> Doyle, M., Rault-Smith, J. and Alli, R. (2022). *Where was Parliament? PMG and the KAS*.

<sup>76</sup> Ferreira, E. (2021). *Parliament owes South Africa an apology on state capture — Modise*, Mail and Guardian, April 2021

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## Case study 2

### "Fees must Fall"

#### Background

The announcement of free higher education for poor and working-class students is symbolic of changes in how the government worked after the 2008 ANC leadership change, and illustrates the consequences for budget coherence, effectiveness, and equity. It also demonstrates how relationships within departments shifted as ministers became powerful decision-makers who could announce significant policy decisions without National Treasury checks on affordability, rationality, and cost-effectiveness.

The transition to democracy called for equity and broader access to university education. The government's first higher education White Paper in the 1990s suggested that higher education should be funded from public funding, student fees, and private contributions. Besides providing formula-driven subsidies to universities and technical colleges, the government expanded the National Student Financial Aid Scheme (NSFAS) to channel funding to poor students.

The ANC's 2012 national conference passed a resolution on fee-free education:<sup>77</sup>

*"University education is costly. The principle of increased access to higher education is a core transformation goal. Academically capable students from poor families should not be expected to pay up-front fees in order to access higher education. Academically capable students from working class and lower middle-class families should also be subsidised with their families providing a household contribution to their studies in proportion to their ability to pay.*

*The fees that must be covered include tuition, accommodation, food, books, other essential study materials or learning resources and travel that is the full cost of study fees. The upfront fees ... should be made available as loans through a strengthened NSFAS system. Part of the loan should be converted to a bursary for successful students. A newly structured national student financial aid system must be introduced to enable fee-free education from 2014 onwards. A policy dialogue model must be utilised to develop a fully-fledged costing model. The current NSFAS must be used as a basis for introducing the newly structured scheme. Consideration must be given to a graduate tax for all graduates from higher education institution."*

At this time, universities' finances were under pressure despite increased transfers from the budget. A ministerial review in 2013<sup>78</sup> found that state subsidies had been declining in real terms

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<sup>77</sup> African National Congress, 53rd National Conference, Resolutions: 8. Education and Health.

<sup>78</sup> The Report of the Ministerial Committee for the Review of the Funding of Universities, (2013).

while student numbers were increasing. Several were running operating deficits and had to make large provisions for unpaid student debt. With student numbers doubling from 495,000 in 1994 to 984,000 in 2013, there was also pressure to expand physical infrastructure. At the same time, poor throughput rates pointed to inefficient public spending on higher education—only 31% of university students completed their diploma or degree within the regulation time in 2010, according to the Council on Higher Education.

Tensions at universities first emerged in the 'Rhodes Must Fall' movement, a campaign to decolonize universities, leading to the removal in April 2015 of a statue of Cecil Rhodes from the University of Cape Town campus. In October 2015, the University of the Witwatersrand announced a 10.5% fee increase, triggering a new round of student protests that quickly spread across the country. This was seen as a boiling over of longstanding tension about student funding, and driven by radical ANC and Economic Freedom Fighters student leaders. In response to widespread protest the government decided to freeze increases for 2016 and allocated additional funding from the national budget to cover the shortfall in university budgets. It also set up a taskforce comprising the Department of Higher Education, the Presidency, and the National Treasury to develop options to address the higher education funding crisis.

In January 2016 the government set up a commission to investigate the feasibility of free higher education.<sup>79</sup> The commission completed its work in August 2017 amid continued protests. The report found that free higher education was not affordable in South Africa and recommended that all students, regardless of their background, should be funded through an income-contingent loan system with the poorest students' loans turned into bursaries upon graduation. It also recommended the expansion of the technical college system.

### **Free higher education announcement**

On 16 December 2017 President Zuma announced that from 2018 “government will ... introduce fully subsidised free higher education and training for poor and working-class South African undergraduate students, starting in 2018 with students in their first year of study at our public universities”.<sup>80</sup> This announcement, effectively overruling the commission's recommendations and cutting across the budget process, came on the first day of the ANC's elective national conference and was widely believed to be aimed at swinging the conference in favor of his own faction and its preferred candidate to take over as ANC president.

The announcement effectively added R54 billion over the medium term to the fiscal framework, which was already just under R50 billion short to cover already budgeted expenditures. The announcement had to be implemented immediately for first-year higher education entrants.

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<sup>79</sup> Commission of Inquiry into Higher Education and Training, chaired by Justice John Heher.

<sup>80</sup> Government of South Africa. (2016). Free higher education for poor, working class students, press release by the Presidency.

This thrust NSFAS into managing larger volumes of funds and students with very little preparation. NSFAS was already facing significant problems with systems and capacities that were not fit for purpose, and did not develop systems to manage its expanded responsibilities. In 2018, NSFAS was placed under administration by the Minister of Higher Education due to serious capacity challenges leading to delays in disbursements. In 2021 it became the subject of an investigation by the Special Investigating Unit, following an AGSA finding that there were material irregularities in disbursements from NSFAS to students and institutions dating as far back as 2018. By July 2024 the Special Investigating Unit had recouped R1.165 billion from universities and R111 million directly from students.<sup>81</sup>

## **Outcomes of the announcement**

Expanded funding has not been provided on a robust policy base. Aside from the President's press statement, no new policy on higher education funding had been finalized to support the new approach by 2024. After the announcement a series of ad hoc changes to the system eroded the cooperation between sector institutions and the government to set policies. Changes included the centralization of applications, the centralization of accommodation management, the introduction of a laptop scheme, and the introduction of a new funding model for the 'missing middle' (i.e. students who don't qualify for NSFAS support but who may struggle to pay fees). Officials from the Department of Higher Education and Training have found themselves increasingly sidelined, with NSFAS playing a larger role in policymaking and the Minister increasingly communicating with institutions directly.

In 2023, NSFAS introduced a new funding model, where monies would be disbursed directly to students rather than channeled through university administrations. The change was introduced at short notice in the middle of the 2023 academic year without being piloted, sparking chaos for students and institutions alike. Evidence emerged subsequently that service providers had been irregularly appointed. The NSFAS chief executive was fired by the board for tender irregularities and in April 2024, the minister once again relieved the board of its duties.

From a budgetary perspective, funding for higher education was significantly increased, and access to universities by poor students has been expanded, supported by additions to the budget which started in 2017 and continued through 2024. However, this occurred in the context of increasingly tight limits on total spending. Consequently, funding for universities has come at the expense of funding for technical colleges, basic education, and other critical public services. University funding has also been directed away from university subsidies in favor of direct payments to students.

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<sup>81</sup> Auditor General, (2023), Consolidated National and Provincial General Report; NSFAS (2023), Annual Report; Special Investigating Unit, (2024), SIU to collect over R112 million from unqualified NSFAS beneficiaries ([link](#))

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### **Case study 3**

#### *Black Sash Trust and others versus the Minister of Social Development*

Minister Bathabile Dlamini was held to account for her role in the failure to ensure that the South African Social Security Agency could pay social grants to millions of people, after an illegally awarded contract was suspended. In 2013, a Constitutional Court judgment set aside a contract with a private company to disburse social grants on behalf of the Agency. The order was on condition that the Agency ensure a different provider after 31 March 2017 or take over payments. The Agency reported in 2015 to the Court that it would pay the grants itself.

In early 2017, the Black Sash Trust petitioned the Court to reinstate its supervisory role, as it foresaw that the South African Social Security Agency had not made adequate alternative arrangements for continued grant payments from 1 April 2017 and would continue to rely on the company whose contract had been set aside, but without a contract regulating the relationship. The court extended the suspension of the contract for another year, under strict conditions to protect grant recipients, including the involvement of the AGSA. The particulars of the cost order initiated a further round in the case.

The Minister of Social Development filed an affidavit in response to the court considering a personal cost order against her, blaming Agency officials for the lack of progress on alternative means to pay the grants. The officials provided opposing information revealing that the Minister had ordered that all workstreams to set up a new system report to her, creating parallel lines of communication and instruction. After an investigation ordered by the Court, the Minister was found to have perjured herself and ordered to pay the costs of the litigation personally. In 2022, moreover, the former Minister was found guilty of perjury, after the Director of Public Prosecutions in Gauteng decided to prosecute.

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## Case study 4

### *Access to basic water and sanitation in informal settlements*

#### **Water and sanitation in informal settlements**

South Africa has about two million households living in more than 4,000 informal settlements, most of which are in its eight metropolitan municipalities.<sup>82</sup> The 2023 household survey estimated that about 4% of households living in informal housing that was not in a backyard had no access to any sanitation. Asivikelane, a multi-organization civil society program working to improve access to basic services for informal settlement dwellers, also reported that 4% of the 4,770 people they had surveyed in metros in June 2023 had no access to sanitation at all.<sup>83</sup> However, of those who had access, only 38% reported having both enough water and having their toilet drained or cleaned in the seven days before the survey.<sup>84</sup> Anger at lack of services has erupted through service delivery protests for more than a decade. Mostly the protests are caused by poor services and they can be “unruly, disruptive and violent”, with loss of municipal and community infrastructure.<sup>85</sup>

#### **The free basic services policy**

Initially, it was expected that municipalities would recover the cost of providing water and sanitation services to residents through user charges to fulfil constitutional obligations on basic services, but that the expansion of services infrastructure at local level would require national government transfers, including through the equitable share.<sup>86</sup> By 2000 it was clear, however, that many poor households would not be able to afford services if charged, leading to the free basic services policy. The policy determined minimum service levels,<sup>87</sup> but said it was up to municipalities how services are delivered and to set out the detail in the indigent policies of each municipality.<sup>88</sup> Most metros opted to develop indigent household registers, meaning that households could apply to get the basic level of services free if they fell under the threshold

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<sup>82</sup> Comins, L, 2023, The shifting landscape of South Africa's informal settlements, Mail and Guardian October 2023, [link](#). Estimates on the exact number of people in informal settlements, however, differ. Cities do not report on the number of informal settlements: how to count them is not defined and they grow yearly. Country-wide the General Household Survey 2023 ([link](#)) found that 8% of households lived in informal dwellings that were not in backyards, amounting to 5.2 million people, using average household size. The Department of Human Settlements have estimated the number of people in informal settlements to be as high as 12.5 million ([link](#)).

<sup>83</sup> The Asivikelane surveys also generally have one person reporting per household.

<sup>84</sup> Mamokhere J, Kgobe, F, 2023, Service delivery protests in South African Municipalities: Trends, factors, impacts and recommendations, Social Sciences and Education Research Review, Vol.10, Issue 2

<sup>85</sup> Ibid, p 52.

<sup>86</sup> Muller, M, 2008, Free basic water – a sustainable instrument for a sustainable future in South Africa, Environment and Urbanisation, Vol 20(1): 67-87, International Institute for Environment and Development.

<sup>87</sup> For water 6,000 litres per poor household within 200m of a stand, safe for consumption and a flow rate of not less than 10 litres a minute; and for sanitation A toilet or ventilated pit latrine, which is safe, reliable, environmentally sound, easy to keep clean, provides privacy and protection against the weather, well ventilated, keeps smells to a minimum and prevents the entry of flies and other disease-carrying pests. SAHRC, 2018, The Right to Water and Sanitation, [link](#).

<sup>88</sup> DPLG, 2012, Free Basic Services, National Framework for Municipal Indigent Policies, [link](#).

set by the metro. This approach does not work for informal settlements, where services are not metered, and indigent policies have not evolved to explicitly provide for their inclusion.

### **Funding free basic services**

Constitutionally, local government is entitled to an equitable share of nationally raised revenue to enable it to provide basic services. This equitable share is the main vehicle for national government to fund free basic services, and the calculation of individual metros' equitable share is based solely on an estimate of the cost of providing these services. On average, total funding for free basic services from the national level directly to municipalities from 2021/22 to 2023/24 grew by 22%, compared to overall expenditure growth of 10%. The largest growth was in the equitable share (27%, worth R28 billion in 2023/24). Conditional grant funding grew by 11% (to R12.4 billion in 2023/24).

Yet, no metro uses these transfers fully to fund basic service delivery, and all use it only in a limited way for funding services in informal settlements where most of the poor reside. In 2023/24 metros reported spending on average 75% of their equitable share transfers on free basic services, with some spending about half.<sup>89</sup> Of this, they spent 24% on free basic services to households in informal settlements. This mismatch does not contravene any conditions set by national government, as the transfer is unconditional, but it leaves millions of people without quality access to water and sanitation.

### **Service delivery in informal settlements**

The financing of informal settlement water and sanitation services—their operational and infrastructure cost—is not the only barrier to improved services. The problem is compounded by how effectively and efficiently the available funds are used.

In water, poorly maintained, broken, and vandalized infrastructure and illegal connections from communal taps to households means a lot of water leakage and very poor flow rates. Alternative water tanker systems have been reported to lead to free water being diverted for selling on. In sanitation, communal toilets are often broken, blocked, and over-flowing, also due to poor maintenance and vandalism. The community workers hired to clean toilets are paid by the bureaucracy, but often appointed by and report to the local councilor, resulting in poor accountability. Contracts to provide, drain, and clean temporary sanitation options like chemical

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<sup>89</sup>National Treasury, 2023/24, Schedule to the Division of Revenue Bill, [link](#). Medium Term Revenue and Expenditure Frameworks of individual cities 2023/24: see City of Cape Town ([link](#)); Buffalo City ([link](#)—note for Buffalo City 2023/24 was estimated from actual 2022/23 and budgeted 2023/24 as the published documentation does not yet have 2024/25 MTREF available online); Ekurhuleni ([link](#)); eThekweni ([link](#)); Johannesburg ([link](#)); Mangaung ([link](#)—note for Mangaung the informal settlement share of free basic services expenditure was estimated using 2022/23 outcome and 2024/25 budgeted as the 2023/24 number was not reported); Nelson Mandela Bay ([link](#), draft budget estimated outturns for 2023/24 used as final budget not yet available online at the time of the research).

toilets are also not well managed, often because municipal officials cannot access informal settlements and cannot verify contract implementation. Contractors have been shown to drain and clean less frequently than contracted, or not at all, or use sub-standard chemicals, with health consequences for residents.

Infrastructure maintenance is in most cases linked to formal fault reporting systems in cities' systems. These fault reporting mechanisms do not work for informal settlements, as resident needs to be able to give an address or a meter number. Cities also do not know where all service delivery points are in informal settlements and have lengthy processes to contract service providers to fix the problem.

### **The Asivikelane program: working together to solve problems**

The Asivikelane program started during COVID-19 to collect data via community-based organizations on service standards in informal settlements across cities. The program works with community leaders, called Asivikelane facilitators, who mobilize communities to join. Initially, the program built its standing by collecting regular data through mobile phone surveys in participating communities on their access to and quality of services, and compiling and reporting the results publicly. Facilitators and residents were trained on municipal systems and budgets for services, and advocated for more spending and better services in public planning and budget processes, using the data as evidence. Asivikelane also supported community leaders to sit down with municipal officials and discuss how issues could be addressed. Initially, the program struggled to engage the right officials. Officials said they felt they were taking risks by not working through municipalities' communications units to speak to communities, they were worried about representation, and they felt they could not fix problems outside of the formal fault reporting systems.

Over time, however, trust was built and Asivikelane communities were able to access officials to have faults repaired and new features such as taps, toilets, and waste bins installed. Analysis of Asivikelane data has shown that services improved the longer a settlement participated.<sup>90</sup> Municipal officials, centrally or at the depot level in city sub-areas, welcomed Asivikelane data, as it helped them to identify issues and monitor service providers and workers. They often passed on relationships to their successors when leaving their posts. Municipalities also started asking community facilitators to help them access settlements for repairs and maintenance. In the City of Tshwane, officials attributed the cancelling of existing contracts with service providers and restructuring their contracts to their engagements with Asivikelane.

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<sup>90</sup>IBP South Africa. (2023). Evaluation of the Asivikelane Programme 2020-2023.

From 2022, Asivikelane has worked in an increasingly close partnership with the AGSA. The partnership involved engagements on the critical systems gaps for better services, as well as cooperation at the operational level of audits and Asivikelane's data collection. For the AGSA the cooperation is part of building its partnership with civil society and communities, and improving the reliability and relevance of its audits. It has acknowledged Asivikelane as an important contributor to its learning. One area of shared work, for example, has been on fault reporting systems.

In 2023, Asivikelane found that strategic discussions with cities' managers on system-wide service faults were happening less often, even as engagement with depot managers on issues such as specific taps and toilets continued. It decided to focus on brokering systemic conversations between informal settlement communities, municipality officials, and other partners like Chapter 9 institutions (including the AGSA), other public institutions, donors, private sector providers, and officials from provincial and national government. These Asivikelane 'hubs' are still young, but show promise. Each hub selects a specific issue of importance for the community and determine with communities and partners what the root causes of the problem are, before negotiating, piloting, and scaling solutions if successful.

In Tshwane, for example, work on waste management between communities and the municipality has brought new solutions. Communities work with the city to identify how many bags they need, collect the waste separating out recyclable items, and ensure the bags are ready for collection at pick-up points. Communities sell recyclables to recyclers who joined as partners to generate income for the community. In other cases, technical and vocational education and training colleges, cities, and donors are working on a model where community representatives are trained by colleges to fix broken service point infrastructure and connected to officials to agree on what to fix and when.

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## **Case study 5**

### *Ilifa Labantwana and early childhood development*

Ilifa Labantwana (an isiZulu phrase meaning "children's birthright") is a nongovernmental organization seeking system change in early childhood development (ECD).<sup>91</sup> It does this by working to strengthen and co-create the institutions, strategies, and practices that the ECD ecosystem needs to thrive and by situating ECD as a multidimensional route to shift South African inequality. Ilifa's successes have come from diverse collaboration and a deliberate aim to bridge the disconnect between public systems and civil society realities. Ilifa has gained credibility with the government by leveraging its technical expertise and understanding of the system. It has

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<sup>91</sup>This case study is based on Percept Collaborative Advisory and Spring Impact. (2023). Ilifa Labantwana: A system change case study, available [here](#).

operated as a government thought partner, rather than a service provider; without the need for credit or ownership and with an explicit aim to strengthen state capacity.

South Africa's ECD ecosystem is spread across multiple government departments and includes formal government institutions, civil society organizations, and a diverse informal economy of non-profit organizations and micro-enterprises. However, the system suffers from narrow definitions of what constitutes ECD that focuses only on early learning, sectoral siloes, and a lack of clear delineations of responsibility or mandate.

Ilifa and some of its key partners have been supported by a group of funders with a shared interest in ECD system change, encouraging collective strategy and governance. Over the years, Ilifa shifted from acting as a 'donor', supporting local-level ECD programmatic pilots to learn and scale, to that of a participant and facilitator within the ECD ecosystem. Recognizing that it had neither the capacity nor the expertise to attend to every part of the ECD essential package, Ilifa focused especially on systems to support early learning, although systems to support caregivers at home also received targeted attention over the years.

The provision of early learning and stimulation for young children is provided predominantly by parents, caregivers, sole proprietors, and micro-enterprises operating at community level. Yet, the government's engagement with early learning has historically been restricted to supporting a small minority of children attending registered, center-based early learning programs. This not only excludes children attending unregistered and/or non-center-based forms of programming; it also excludes the millions of children not accessing an early learning program at all. Most children under the age of 3 years old receive care, nourishment, and early learning at home, but their caregivers are under-supported.

Among the mental models that Ilifa has sought to shift are that ECD is synonymous with early learning, quality early learning programs can only be delivered in purpose-built centers, and 3) only 'quality' programs should get funding. Instead, it has sought to demonstrate that ECD is a holistic package of services, quality early learning programs can take many shapes and forms, and maintaining and improving quality often depends on funding.

Ilifa's partnership with the national Department of Health on the Side-by-Side campaign is an example of a shift away from viewing ECD simply as group early learning. Ilifa collaborated with the department to design, deliver, and co-fund a dynamic multi-channel ECD communications campaign (radio, in-person, print, and digital) called Side-by-Side. It equips caregivers with the knowledge and tools to support early stimulation and healthy development for their children. In doing so, Side-by-Side is also shifting power in the ECD ecosystem, empowering poorer families, who often have lesser access to ECD information, with resources to support both their caregiving and their choice-making.

Through improving connections between government support and early learning providers, Ilifa has helped bridge the system. To do this, it has used both bottom-up and top-down tactics—targeting national regulatory and financing systems and local-level support systems. Ilifa built civil society coalitions to advocate for registration requirements to better reflect the realities of a largely informal sector. Meanwhile, it also worked with grassroots ECD organizations on a simpler, faster, and data-driven registration process, which has been tested by several subnational governments and which informed a progressive “tiered” registration framework that has since been adopted by the national government.

In the early years, Ilifa sought to understand funding flows at the local level and understand the access challenges of early learning providers. It has since moved through higher levels of the system, with its current strategy focused on national regulation and budget allocations. Through trusting and lasting relationships with the National Treasury, Department of Basic Education, and Department of Social Development, Ilifa has established itself as a key thought partner in ECD financing and expansion planning, unlocking significant budgetary allocations (from R2.98 billion in 2017/18 to R3.47 billion in 2021/22).

In unlocking the budget for ECD, Ilifa has been agile in collaborating with different departments and levels of government, depending on where the system needs and opportunities are. It has also had the patience to move slow, nurturing relationships with the government, building the state’s institutional capacity, shifting entrenched patterns of resource allocation, and incrementally building consensus between disparate stakeholders.

For instance, realizing that local governments have greater jurisdiction over infrastructure budgets than national government, Ilifa partnered with others to show that early learning programs needed extra financial support to upgrade physical infrastructure and meet the norms and standards that determine funding eligibility. This would inform the design of the maintenance component of the national ECD conditional grant, adding R100 million to the budget per year for the renovation and maintenance of ECD centers.

Ilifa’s successes in reframing provision have come from diverse collaboration and a deliberate aim to bridge the disconnect between public systems and civil society realities. In shifting its approach to scale, Ilifa showed its ability to embrace emergent opportunities to achieve wider results through experimentation. Systems change means getting comfortable with this process and creating conditions to test, change, learn, and fail. Through collaboration with implementers and programmers as well as government partners, Ilifa has been able to focus on system-level change to support provision, while remaining connected to the context of provision.