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MUNICIPAL SERVICES PROJECT



PROJECT #100192

NARRATIVE FINAL REPORT

OCTOBER 2002



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1.0 Introduction

The Municipal Services Project (100192) began on January 1, 2000, and was completed on August 31, 2002. The Project has fulfilled its primary and secondary objectives and has exceeded its original research plans with the addition of research and training grants from other funding agencies that both complimented and enriched the Project's mandate. We have also developed collaborative research efforts with new research groups and organizations.

The Project has established itself as one of the lead research organizations in the area of service delivery in South(ern) Africa and has become a valuable resource for the South African Municipal Workers Union (Samwu) as well as for various community and nongovernmental organizations engaged in service delivery debates. The Project's capacity to produce academic, as well as popular, educational materials has proved invaluable in this regard.

Training and capacity building for students (in Canada and South Africa) has been successful, with several dozen students and community-based researchers involved in research activities (e.g. the Soweto Electricity Crisis Committee). There has also been considerable capacity building within the various partner organizations with the creation of additional research skills, new research contacts, and enhanced organizational strengths and resources.

2.0 Research Activities

2.1 Activities Funded by the Project

The following tables provide a breakdown of research activities that have been completed or were put in motion doing the Project. The tables are organized around the four research themes outlined in the Project proposal.

<i>Theme 1: Decentralization and Local Government Restructuring</i>	
<i>Research Activity</i>	<i>Outputs</i>
Cape Town - Interviews with wide variety of stakeholders on a range of service delivery and governance themes. Seventy-five managers, councillors and civil society representatives were interviewed in total.	Published as David A McDonald and Laila Smith, 2002, "Privatizing Cape Town: Service Delivery and Policy Reforms Since 1996", <i>Occasional Papers Series No. 7</i> , MSP: Cape Town, by. Version of the paper submitted to <i>Urban Forum</i> for publication Considerable coverage in print, radio and television media.
Cape Town - Audit of water and refuse resources in Cape Town. Complete audit of all water and waste depots in the metropolitan area. Data entered into SPSS data base for analysis and mapping. This research activity has generated a better understanding of the possibilities and limitations of data	Published as David A McDonald and Laila Smith, 2002, "Privatizing Cape Town: Service Delivery and Policy Reforms Since 1996", <i>Occasional Papers Series No. 7</i> , MSP: Cape Town, by David A McDonald and Laila

gathering in this area and in developing research methodologies that are applicable in other municipalities. Shop stewards from Samwu collected data as well as a cross-reference to the data gathered from managers, adding an additional methodological and participatory element to the research.	Smith. Version of the paper submitted to <i>Urban Forum</i> for publication Considerable coverage in print, radio and television media.
Queenstown, Stutterheim, Fort Beaufort – Information on resource distribution of municipal services for possible qualitative audit and debates of demarcation of local government boundaries	Published as Greg Ruiters, 2002, "Debt, Disconnection and Privatization: The Case of Fort Beaufort, Stutterheim and Queenstown", in David A. McDonald and John Pape (eds), <i>Cost Recovery and the Crisis of Service Delivery in South Africa</i> , HSRC Publishers and Zed Press: Pretoria and London.
South Africa – Analysis of Local Economic Development debates and their implications for local government restructuring and service delivery.	Published as Patrick Bond, 2002, "Local Economic Development Debates in South Africa", <i>Occasional Paper Series No. 6</i> , MSP: Cape Town.
Theme 2: Privatization	
Research Activity	Outputs
Cape Town – Assessment of Billy Hattingh micro-enterprise privatization of waste collection in Khayelitsha. Interviews conducted with local government officials and community representatives as well as a review of relevant literature.	Published as Mskoli Qotole and Mthetho Xali, 2001, "Selling Privatisation to the Poor: The Billy Hattingh 'Community Based Refuse Removal Scheme' in Khayelitsha" in <i>The Commercialization of Waste Management in South Africa</i> , Occasional Papers No 3., MSP: Cape Town. Also part of Xali, M (2001) "PPPs: A questionable strategy for service delivery" in <i>Is there an Alternative? South African workers confronting globalisation</i> , ILRIG, Cape Town.
Odi – assessment of South Africa's first public-public partnership for water delivery. Interviews conducted with wide range of national and local government officials as well as local union representatives.	Published as, John Pape, 2001, "Poised to Succeed or Set Up to Fail?: A Case Study of South Africa's First Public-Public Partnership in Water Delivery", <i>Occasional Papers No. 1</i> , MSP: Cape Town. Also published in John Pape, "A Public Sector Alternative: Samwu's Efforts," <i>SA Labour Bulletin</i> , 25(4), August 2001
Nelspruit – assessment of water outsourcing since 1998.	Report completed and being prepared for publication in an edited volume by Patrick Bond and David McDonald on <i>Water Privatization in Southern Africa</i> (HSRC Publishers: Pretoria)
Stutterheim/Queenstown/Fort Beaufort – assessment of privatization of a range of different municipal services.	Published as Greg Ruiters, 2002, "Debt, Disconnection and Privatization: The Case of Fort Beaufort, Stutterheim and Queenstown", in David A. McDonald and John Pape (eds), <i>Cost Recovery and the Crisis of Service Delivery in South Africa</i> , HSRC Publishers and Zed Press: Pretoria and London.

Dolphin Coast – assessment of water privatization in Dolphin Coast.	<p>Published as David Hemson. Water, concessions and poverty: a South African Case Study. <i>Indicator South Africa</i>, Vol 19, No 2: pp55-60. July 2002.</p> <p>Also being extended in preparation for publication in an edited volume by Patrick Bond and David McDonald on <i>Water Privatization in Southern Africa</i> (HSRC Publishers: Pretoria)</p>
Johannesburg – assessment of iGoli 2002 water privatisation plans, City Development Strategy and options for raising capital for municipal infrastructure	<p>Provided as report to the SA Municipal Workers Union and published in Patrick Bond, 2002, <i>Unsustainable South Africa: Environment, Development and Social Protest</i>, University of Natal Press: Pietermaritzburg, Merlin Press: London, and Africa World Press: Trenton, pp.209-225.</p>
Johannesburg – assessment of waste management outsourcing under the iGoli 2002 restructuring plans for the city.	<p>Published as Franco Barchiesi, 2001, "Fiscal Discipline and Worker Response: The Restructuring of Johannesburg's Solid Waste Management" in <i>The Commercialization of Waste Management in South Africa</i>, Occasional Papers No 3., MSP: Cape Town.</p>
Pretoria – assessment of water privatization initiatives	<p>Report complete and being prepared for publication in an edited volume by Patrick Bond and David McDonald on <i>Water Privatization in Southern Africa</i> (HSRC Publishers: Pretoria)</p>
Cape Town – assessment of corporatization of water in Cape Town since 1996. Will assess the impact of these policy changes on equity in access to water for low-income communities living in the townships with a focus on procedural and distributive equity.	<p>Published as David A McDonald and Laila Smith, 2002, "Privatizing Cape Town: Service Delivery and Policy Reforms Since 1996", <i>Occasional Papers Series No. 7</i>, MSP: Cape Town, by David A McDonald and Laila Smith. Also to be published in an edited volume by Patrick Bond and David McDonald on <i>Water Privatization in Southern Africa</i> (HSRC Publishers: Pretoria)</p> <p>Also forms part of PhD thesis for Laila Smith at Clarke University (completed)</p>
South Africa – assessment of environmental impacts of service privatization in terms of consumption and point-of-production.	<p>Published as David McDonald, 2002, "Up Against the (Crumbling) Wall: Privatization and Environmental Justice in South African Cities" in David A. McDonald (Ed) <i>Environmental Justice in South Africa</i>. Ohio University Press and University of Cape Town Press. pp 292-325.</p>
Southern Africa – Assessment of research methodologies employed for evaluation of water privatization initiatives	<p>Report complete by David McDonald and being prepared for publication in an edited volume by Patrick Bond and David McDonald on <i>Water Privatization in Southern Africa</i> (HSRC Publishers: Pretoria)</p>
Southern Africa – overview of the General Agreements on Trades and Services (GATS) protocols of the World Trade Organization and their implications for water privatization in Southern Africa	<p>Report complete by Tony Clarke and Karl Flecker and being prepared for publication in an edited volume by Patrick Bond and David McDonald on <i>Water Privatization in Southern Africa</i> (HSRC Publishers: Pretoria)</p>

Maputo, Mozambique – assessment of privatization of bulk water privatization since 1999.	<p>Report complete by Horacio Zandamela and being prepared for publication in an edited volume by Patrick Bond and David McDonald on <i>Water Privatization in Southern Africa</i> (HSRC Publishers: Pretoria)</p> <p>Forms core of PhD thesis for Horacio Zandamela at the University of the Witwatersrand (in progress).</p>
Lusaka, Zambia - assessment of water services privatization and outsourcing.	<p>Report complete by Karen Cocq and being prepared for publication in an edited volume by Patrick Bond and David McDonald on <i>Water Privatization in Southern Africa</i> (HSRC Publishers: Pretoria)</p> <p>Forms core of Honours thesis for Karen Cocq at the University of Toronto (in progress).</p>
Harare, Zimbabwe – assessment of water services privatization and outsourcing.	<p>Report complete and being prepared for publication in an edited volume by Patrick Bond and David McDonald on <i>Water Privatization in Southern Africa</i> (HSRC Publishers: Pretoria)</p>
Mbabane, Swaziland - assessment of water services privatization and outsourcing.	<p>Report complete and being prepared for publication in an edited volume by Patrick Bond and David McDonald on <i>Water Privatization in Southern Africa</i> (HSRC Publishers: Pretoria)</p>
Buenos Aires, Argentina – Assessment of water privatization by Suez Lyonnaise des Eaux. Field work using funding from outside donor but employing MSP research methodologies and support networks.	<p>Published as Alexander Loftus and David McDonald, 2001, "Of Liquid Dreams: A Political Ecology of Water Privatization in Buenos Aires", <i>Environment and Urbanization</i>, Volume 12, Number 2, pp 179-200 (also published in Spanish as "Sueños líquidos: una ecología política de la privatización del servicio del agua" in <i>Realidad Economica</i> No. 183 (Nov-Dec 2001), pp. 76-103).</p> <p>Also published as "Lessons From Argentina: The Buenos Aires Water Concession", Occasional Papers Series No. 2, MSP: Cape Town.</p> <p>Formed basis for MA thesis of Alexander Loftus at Queen's University (completed)</p>
Accra, Ghana – The privatization of water. Week-long visit (by MSP personnel and three people by Samwu and Anti-Privatisation Forum) to Accra to establish relations with researchers at Isodec and in the Citizens' Campaign Against Privatisation, including debating the World Bank on options for providing lifeline water services to all Ghanaians.	<p>Analysis of water policy and alternatives both provided to allied researchers, and published in <i>ZNet Commentaries</i> and <i>GreenLeft Weekly</i> by Patrick Bond, May 2001.</p>
Accra, Ghana – The Privatization of Waste Management. Field work using funding from outside donor but employing MSP research methodologies and support networks.	<p>Report complete, publication pending.</p> <p>Formed basis of MA thesis for Benoit Demanya at Queen's University (completed)</p>

Havana, Cuba – a preliminary investigation of the process and outcomes of the privatization of water and sanitation in Havana.	Report complete, research ongoing. Research contributed to the MA thesis of Robert Huish (Queen's University - ongoing) on democratization in Cuba.
Theme 3: Cost Recovery	
Research Activity	Outputs
Hermanus – assessment of block tariffs for water. Interviews conducted with community members and local government officials.	Published as Hamedat Deedat, John Pape and Msokoli Qotole, 2001, "Block Tariffs or Blocked Access?: The Greater Hermanus Water Conservation Programme" <i>Occasional Papers Series No. 5</i> , MSP: Cape Town.
Soweto – assessment of electricity pricing, demand, use, and expectations with respect to "free lifeline supplies" of electricity. Interviews with representative sampling of households using structured surveys. Two separate studies conducted and building on each other.	Published as Maj Fiil-Flynn, 2001, "The Electricity Crisis in Soweto", <i>Occasional Paper Series No. 4</i> , MSP: Cape Town, and extended in Patrick Bond, 2002, <i>Unsustainable South Africa: Environment, Development and Social Protest</i> , University of Natal Press: Pietermaritzburg, Merlin Press: London, and Africa World Press: Trenton, pp.301-355 Published as Grace Khunou, 2002, "Massive Cutoffs: Cost Recovery and Electricity Service in Diepkloof, Soweto" in David A. McDonald and John Pape (Eds.), <i>Cost Recovery and the Crisis of Service Delivery in South Africa</i> , Zed Press: London and HSRC Publishers: Pretoria. pp 61-80.
South Africa – national, statistically representative survey of 2530 households across South Africa on attitudes towards, and experiences with, cost recovery and privatization of municipal services. Conducted in collaboration with the Human Sciences Research Council of South Africa (HSRC).	Published as David McDonald, 2002, "The Bell Tolls For Thee: Cost Recovery, Cutoffs, and the Affordability of Municipal Services in South Africa", in David A. McDonald and John Pape (Eds.), <i>Cost Recovery and the Crisis of Service Delivery in South Africa</i> , Zed Press: London and HSRC Publishers: Pretoria. pp 161-179.
KwaZulu Natal – analysis of link between cost recovery on water in rural areas and the outbreak of cholera.	Published as Hamedat Deedat and Eddie Cottle, 2002, "Cost Recovery and Prepaid Water Meters and the Cholera Outbreak in KwaZulu-Natal" in David A. McDonald and John Pape (Eds.), <i>Cost Recovery and the Crisis of Service Delivery in South Africa</i> , Zed Press: London and HSRC Publishers: Pretoria. pp 81-100.
Constantia, Cape Town – analysis of attitudes towards cost recovery in a wealthy, suburban neighbourhood	Published as John Pape, 2002, "The Struggle Against Encroachment: Constantia and the Defence of White Privilege in the 'New' South Africa" in David A. McDonald and John Pape (Eds.), <i>Cost Recovery and the Crisis of Service Delivery in South Africa</i> , Zed Press: London and HSRC Publishers: Pretoria. pp 123-142.

Mkhaza, Khayelitsha, Cape Town – surveys of households that have experienced water cutoffs due to non-payment of bills	Published as Mthetho Xali, 2002, “‘They are Killing Us Alive’: A Case Study of the Impact of Cost Recovery on Service Provision in Mkhaza Section, Khayelitsha” in David A. McDonald and John Pape (Eds.), <i>Cost Recovery and the Crisis of Service Delivery in South Africa</i> , Zed Press: London and HSRC Publishers: Pretoria. pp 101-122.
Rural Northern Cape province – review of cost recovery schemes and impacts in four small towns	Published as Hameed Deedat, 2002, “Viva Prepaids, Viva!: Assessing the New Technology for Cost Recovery in the Rural Northern Cape” in David A. McDonald and John Pape (Eds.), <i>Cost Recovery and the Crisis of Service Delivery in South Africa</i> , Zed Press: London and HSRC Publishers: Pretoria. pp 143-160.
South Africa – analysis of the theory and practice of cost recovery at a policy level in South Africa.	Published as David A. McDonald, 2002, “The Theory and Practice of Cost Recovery in South Africa” in David A. McDonald and John Pape (Eds.), <i>Cost Recovery and the Crisis of Service Delivery in South Africa</i> , Zed Press: London and HSRC Publishers: Pretoria. pp 17-40.
South Africa – an evaluation and summary of policy alternatives to cost recovery in South Africa	Published as John Pape, 2002, “Looking for Alternatives to Cost Recovery” in David A. McDonald and John Pape (Eds.), <i>Cost Recovery and the Crisis of Service Delivery in South Africa</i> , Zed Press: London and HSRC Publishers: Pretoria. pp 183-194.

Theme 4: Participatory Decision Making

<i>Research Activity</i>	<i>Outputs</i>
South Africa – evaluation of the Constitutional rights of South African citizens to basic municipal services, especially water, how well these rights are known by the public, and how these rights have been taken up by the poor and/or legal representatives.	Report complete and being prepared for publication in an edited volume by Patrick Bond and David McDonald on <i>Water Privatization in Southern Africa</i> (HSRC Publishers: Pretoria)
NOTE: it was decided at the project Steering Committee meeting of November 6, 2000, that it was better to integrate a “participation analysis” into all of our research activities rather than discreetly attempting to evaluate participation. It was felt that this would lead to a better understanding of the procedural issues related to each of the other research themes as well as provide for better context when assessing participatory issues.	

2.2 Additional Research and Training Activities

Due to the Project's profile and capacity to conduct research on municipal service delivery we able to secure additional funding for related research projects. We were also approached by governmental and nongovernmental organizations to conduct research and training on a contract basis. The Narrative Interim report of January 2002 described work completed on municipal workers in Cape Town for the Cape Town Uicity Commission, a report on water and sanitation in Johannesburg for Abt Consultants on behalf of the Johannesburg metropolitan government, labour leadership training for the South African Labour Development Trust, household surveys in collaboration with the Human Sciences Research Council, and research in Argentina and Ghana funded by Queen's University and the Organix Foundation.

Additional research activities since the Interim Report that involve secondary funding sources include the following:

2.2.3 Gender and Local Government Restructuring Project

In October 2001 SAMWU and the Municipal Services Project launched the 'Gender and Local Government Research and Capacity Building Project'. Funded by the Finnish Government, UNISON and War on Want the main objectives of the project are to:

- Conduct research on the gendered nature of privatization and local government restructuring.
- Provide baseline information and identify key gender issues (primarily with reference to service delivery) that need to be taken into account when developing Integrated Development Plans.
- Build capacity within SAMWU to understand the gendered nature of privatization and local government restructuring and conduct further research on these and related issues.
- Assist SAMWU to develop policy and negotiating positions on privatization and local government restructuring.
- Develop alternative policy proposals that would assist in the realisation of constitutional, legislative and policy commitments to gender sensitive, equitable and developmental service delivery and local government.

The project is co-ordinated by Melanie Samson, who also serves as the lead researcher and sits on the MSP Steering Committee. The Gender Project is governed by a Reference Group which is comprised of one representative from each SAMWU provincial structure, representatives from the SAMWU Education and Research Departments, the SAMWU Equity and Gender Officer, and the SAMWU General Secretary (see Appendix A for a copy of the Report Back on the 3rd Reference Grup meeting in June 2002). Ongoing capacity building activities have helped the Reference Group members to deepen their ability to conduct gender analysis. The Reference Group plays an active role in defining the research agenda for the project, assisting with the implementation of the research, and as well assisting with conducting workshops on gender and privatization within the union.

Following a three-day national workshop held in February 2002 a feasibility study was conducted to finalise research sites with research commencing in May 2002 (for a summary of the February workshop please see Appendix A). Three case studies of municipalities will be conducted. In each municipality the Project will:

- Conduct interviews and focus groups with municipal workers to determine how they are being affected by privatization. The research will focus on exploring the gendered nature and effects of privatization as it relates to men and women workers.
- Conduct interviews with men and women councillors and management to explore their understanding of the relationship between privatization and constitutional and legislative commitments to gender equality.
- Conduct interviews and focus groups with community members to explore the gendered effects of privatization of services at household and community level.

The major outputs of the project will be:

- The production of a popular, accessible publication summarizing the main research findings. This publication will be targeted at SAMWU members, community groups, councillors and other interested organisations.
- Wide dissemination of the research findings via an MSP Occasional Paper (in progress), academic papers, academic and popular journals, Workers' News, and the SAMWU and MSP Web Sites.
- The development of a workshop pack to be used to train SAMWU shopstewards and other gender activists.

The Gender Project was also awarded \$60,000 in September of 2002 by the CUPE International Solidarity fund to expand its research and educational programme, as well as strengthening the ties between CUPE and Samwu..

2.2.4 Restructuring of Service Depots Research

This sub-project has been funded by the Netherlands Embassy in South Africa and is a partnership between Samwu, ILRIG, the Department of Provincial and Local Government, the South African Local Government Association (Salga), and the embassy. Research is being conducted into the rationalization of single services in three sites:

Buffalo City (Eastern Cape): Water
Marble Hall (Limpopo): Water
Cape Town: Solid waste

The research process involves interviews with workers, management and officials with the express purpose of examining the potential for restructuring public sector delivery. One of the aims of the project is to propose guidelines for the process of examining the "internal mechanism" as specified by the Systems Act.

The research is in progress.

2.3 Research Methodologies

One of the mandates of the Project was to develop critical research methodologies that allow for comparative research within South(ern) Africa as well as other parts of the world, while at the same time helping to push the boundaries of research methods on questions of municipal service delivery in general (e.g. introducing public goods assessments into cost-benefit analysis). To this end, we have developed a methodological framework to guide the kinds of research questions we want to ask and to identify possible research tools. (A breakdown of these methodological guidelines was provided as Appendix C in the Interim Narrative Report of January 2001 and has been adopted and employed in other research since that time in the region and in South Africa.)

We have also made a significant contribution to participatory research methods by working closely with municipal workers, union officials, community organizations and NGOs we have been able to get access to information/insights previously not part of the municipal services debates in South Africa, while at the same time building research and advocacy capacity on the ground. Groups that we have worked with include Youth for Work (Alternative Information and Development Centre), the Soweto Electricity Crisis Committee, the Anti-Eviction Campaign, the Anti-Privatization Forum, and, of course, the South African Municipal Workers Union.

3.0 Research Dissemination

The Project has produced a wide range of publications in written and electronic format. The publications cover a range of academic and popular formats for different audiences, as well as print and electronic media. We also produced material in the vernacular for workers and community organizations. Appendix B provides a list of all outputs from the project. Copies of all formal publications have been sent to the IDRC office and are on file there.

3.1 Occasional Papers Series

The Project's flagship publications have been the Occasional Papers Series. These publications showcased major research initiatives on the part of the Project and have been sent to every municipality in the country as well as a wide range of national government departments and agencies related to municipal services (e.g. Department of Provincial and Local Government, Municipal Infrastructure Investment Unit), nongovernmental and community organizations, unions, and selected academics in the region and overseas (see Appendix B for a copy of a letter from the Premier of Northern Cape Province thanking the MSP for copies of our publications). The series has a unique cover and layout design that distinguishes them as Project publications. David McDonald and Patrick Bond are co-editors of this series. There were seven Occasional Papers published. All are available on the Project website in PDF and HTML format.

3.2 Newsletter

The Project's newsletter was entitled "Services For All". Three copies of the newsletter were produced. They were designed to a general audience with summaries of research findings as well as highlights of key policy developments and events in the area of service delivery and local government restructuring. Approximately 1500 copies of each issue were distributed to policy makers, NGOs, community organizations, unions, academics, media and other interested parties. John Paper of ILRIG managed the editing, production and distribution of the newsletters.

3.3 Books

The Project published one book dedicated entirely to Project research (David McDonald and John Pape (Eds), 2002, *Cost Recovery and the Crisis of Service Delivery in South Africa*, London and Pretoria: Zed Press and HSRC Publishers). Released in late August 2002 at the World Summit on Sustainable Development this book has received considerable attention in South Africa and internationally already. Copies have been sent to key political leaders and policy makers in government as well as union officials and academics. A copy of HSRC's promotional material for the book is included in Appendix B.

Several other books related to, and containing, Project research and discussions were produced during Project and authored/edited by Project personnel. These books are listed in Appendix B.

3.4 Journal articles

In an effort to reach a broad academic audience, several Project research papers were published in scholarly journals. The list of refereed journal articles is provided in Appendix B.

3.5 Background Papers

In preparation for a major international conference on "Urban Futures" held in Johannesburg in July 2000, the Project prepared a series of Background Papers based on previous research by Project personnel that was relevant to the themes of the Project. A total of eleven papers were produced and bound in an attractive cover and copies were made available at the conference to delegates in order to help establish awareness of the Project and to stimulate discussion on service delivery themes.

3.6 Print and electronic media

Project Personnel have either written, or have been profiled in, over 50 newspaper articles in South(ern) Africa, Europe and North America during the Project. Copies of all print media articles written by or about the Project (since the Interim Narrative Report of January 2001) are provided in Appendix C.

Project research has also been profiled numerous times on national television and radio in South Africa, as well as numerous local radio stations. High profile international media outlets such as the Washington Post, CNN and CBC Radio have

carried stories about the project and/or project research. A list of these outlets is provided in Appendix B.

3.7 Film and video documentaries

Seipone Productions, whose main filmmakers are Vincent Moloi and Ben Cashdan (a P&DM guest lecturer affiliated with the Project), have produced several documentaries related to Project research. These videos are featured on the Project website. In addition, the Project supported the efforts of Hands-on Productions (Sipho and Gillian Schutte) to record the debate over electricity privatisation, basic-needs access to energy, and global warming, in a teaching video. A list of films is provided in Appendix B.

3.8 Website

In June 2000 a Project website was completed and put online at www.queensu.ca/msp. The intent of the website was to provide background information on the project, to provide quick and easy access to relevant policy documents, to provide access to the Project's print publications, to serve as a database for media clippings on service delivery issues, and to provide a forum (via the website's Guestbook) for networking amongst interested parties. The website has proven to be extremely useful in terms of information dissemination and in building awareness. The site is managed by Christina Decarie at Queen's University. There have been more than 4000 "hits" on the website since its inception and many positive comments about it, an example of which comes from an email received from the UK in September of 2002:

I am about to complete a Masters Dissertation in London, and was advised to have a look at your website for some information. I wanted to say how easy the site is to navigate and find relevant information; especially useful was the section on newspaper articles. I found trying to get hold of South African newspaper information very difficult from London!

3.9 Conferences and presentations

The Project held an "end-of-project" conference in May 2002 entitled "Services For All?". There were approximately 300 people in attendance from all over Southern Africa and other parts of the world. The conference was a dynamic and challenging series of events that brought together academics, union leaders, NGOs, government officials, policymakers and community organizations to debate issues of service delivery and to hear presentations on Project research. Held over a five day period, the conference involved a tour of Alexandra township, a film festival, plenary presentations, workshops and a cultural festival. The conference was an enormous success by all accounts and something of a watershed event in South Africa in terms of bringing together a wide range of organizations working on service delivery.

A copy of the conference proceedings, a summary of the conference written for Pazambuka News, and a report-back from the CUPE representative are provided in Appendix D.

Project personnel have also given numerous conference presentations, public lectures and seminars based on Project research. A list of the key presentations is provided in Appendix B.

4.0 Personnel

4.1 University of the Witwatersrand

Dr Patrick Bond and Dr Greg Ruiters were Co-Directors of the Project for the University of the Witwatersrand.

Students and researchers involved in research and dissemination activities from the Wits office were as follows:

Sydney Bam: Soweto electricity research assistance
Franco Barchiesi: Johannesburg solid waste research
Floencia Belvedere: May conference support
Thabo Bopape: May conference support
Maj Fiil-Flynn: Soweto electricity research
Sean Flynn: constitutional rights research
Steven Greenberg: May conference support
Tyrone Hare: May conference support
Rebecca Himlin: Ekurhuleni water research
Boitomelo Huma: Soweto electricity research assistance
Babhekile Khumalo: Soweto electricity research assistance
Grace Khunou: Soweto electricity research
Sydney Letsholo: May conference support
Bongani Lubisi: Soweto electricity research assistance
Chuchu Lufuno: Soweto electricity research assistance
Khutso Madubanya: Nelspruit preliminary water research
Kavitha Maharaj: May conference support
Mark Malan: May conference support
Sechaba Marumo: May conference support
Richard Masenya: Soweto electricity research assistance
Rekopantswe Mate: Harare water research
Sello Mathabatha: May conference support
Peter McInnes: Tshwane water research
Ronnie Midaka: Soweto electricity research assistance
Grasian Mkodzogi: Harare water research
Tshiamo Moilwa: May conference support
Dorothy Mthembu: Soweto electricity research assistance
Marion Nagiah: May conference support
Olu Olufemi: May conference support
Jenny Parsley: May conference support
Lerato Poele: Soweto electricity research assistance
Prebashnee Ragooloo: May conference support
Hellen Rossou: May conference support
Greg Ruiters: Eastern Cape water research
Ursula Scheidegger: May conference support

Aubrey Setshedi: Soweto electricity research assistance
Virginia Setshedi: general staffing, outreach and popular education
Thengiwe Shimbira: Mbabane water research
Robyn Stein: constitutional water research support
Nonhlanhla Vilakazi: Soweto electricity research assistance
Horacio Zandamela: Maputo water research

4.2 Queen's University

Dr David McDonald was Co-Director of the Project at Queen's University. Christina Decarie was the Project Administrator working two days a week. Laila Smith, a Canadian PhD student in the Geography Department at Clark University, conducted research for the Project as part of her PhD thesis (now completed). Benoit Demanya, Alex Loftus, and Robert Huish – all Masters students in the Geography department at Queen's – conducted research in Ghana, Argentina and Cuba respectively.

From October 2000, the Southern African Research Centre (SARC) at Queen's University served as the formal home of the Project and provided physical space and administrative support.

4.3 ILRIG

The International Labour Resource and Information Group (ILRIG) was very active in supporting Project activities, with the production of the newsletter, involvement in numerous research activities and running the training programme with Samwu. Dr John Pape has been the central contact person and a Steering Committee member. Other researchers were Hameeda Deedat, Msokoli Qotole, and Mthetho Xali.

4.4 Samwu

The General Secretary of Samwu - (Roger Ronnie – was the main contact person during the second year of the Project. The appointment of Dr Jeff Rudin as the Research Officer at Samwu in January 0f 2002 has meant that the ties between Samwu and the Project have been strengthened. So too has the appointment of Melanie Samson as the Coordinator of the Gender Project strengthened the administrative and research capacity of the union as well as strengthening Project-Samwu linkages (Ms Samson is situated in the Johannesburg branch of the Samwu national office).

Dr Rudin spent two weeks in Canada meeting with his CUPE counterparts in research. A report-back on this trip is provided in Appendix E.

4.5 CUPE

Graham Deline was the key contact person at the Canadian Union of Public Employees until his move from the International Solidarity Office in early 2002. The main contact at CUPE now is Morna Ballentyne, special assistant to the President of CUPE. Jane Stinson, Head of Research at CUPE has also been involved in the Project, having travelled to South Africa for the MSP Conference in May 2002 (see her Report Back on the conference in Appendix D).

4.6 Project Steering Committee

The Project Steering Committee consisted of two representatives from each of the partner organizations and met twice a year during the Project. The Steering Committee provided overall guidance and direction on Project research and publication activities and served as an advisory group between meetings for the Project Co-Directors. The Steering Committee was expanded to include Jeff Rudin (Research Officer at Samwu) and Melanie Samson (Coordinator of the Gender Project).

5.0 Critical Analysis

Project Strengths

The following are seen to be the main strengths and accomplishments of the Project (in no particular order):

- The large volume of research and publications completed. With a relatively small budget, and in a relatively short period of time, the Project managed to produce more than two dozen major studies and an even higher number of publications based on the research. The research and publications are of high quality, introducing and expanding new research methods and participatory research mechanisms.
- Research dissemination has been extremely successful. The various publication formats (academic/popular, English/vernacular, print/electronic) have helped to reach a wide audience, as has the strong distribution network of the Project (primarily through our mailing list in the region but also because of the strong international networks of the researchers themselves). Finally, media coverage of the Project's research has been excellent, with local, national and international interest in print, radio and television. The website has assisted in this regard as well, improving access and distribution of research reports and Project activities.
- The success of the Project has attracted additional funders, with the Dutch government, the Finnish government, the City of Cape Town, the South African Labour Development Trust, the South African Department of Provincial and Local Government, and the Canadian Union of Public Employees all contributing substantial resources towards Project research activities above and beyond the original IDRC mandate.
- The Project has been the catalyst for formalizing and strengthening the linkages between Samwu and CUPE, a relationship that now stands outside of the confines of the Project and one that contributes significantly to international solidarity amongst public sector unions. The recent contribution of \$60,000 by the CUPE International Solidarity Fund towards the MSP/Samwu Gender Project is a concrete expression of this new linkage.
- There has been considerable capacity building amongst all of the partners in the Project. Institutionally, the Project has created the physical, administrative and intellectual space in each of the home institutions to conduct quality research and to disseminate information. More importantly, the Project has attracted and trained high quality researchers and developed long-term

research capacity in the area of municipal service delivery debates in Southern Africa and in Canada.

- The Project has developed strong linkages with researchers and research/policy organizations working outside of the region. Links with organizations in Ghana are one example (see report-back from trip to Ghana by Project personnel in Appendix F). Other examples are links with in Canada (e.g. Council of Canadians, Polaris Institute), the USA (e.g. Public Citizen, Fifty Years is Enough, International Forum on Globalization), Europe (e.g. TransNational Institute), Latin America (e.g. the Defence of Life and Water, Bolivia) and Asia (e.g. National Alliance of People's Movements, India).
- The Project has been effective at combining networks and structures of accountability at a grassroots level (civic organizations, labour) with a variety of advanced research skills and effective media strategies to impact on the policy debate at all levels. Influence on policy debates was partially reflected, since September 2000, in the South African government's movement away from an ideology based on full cost-recovery of water, electricity and other municipal service charges, to a "free lifeline" policy that was advocated by the Project and key allies (Samwu, the Rural Development Services Network and the SA National NGO Coalition, for example). This policy has not been fully implemented because of a variety of residual programmatic design flaws and bureaucratic hostility/capacity problems. The Project continues, therefore, to utilise networking, public advocacy, research, behind-the-scenes policy inputs and other interventions to take a successful public debate – essentially over human rights to water and other services – into administrative practice.

In these respects, the Project is arguably recognized as the leading critical research group on issues of municipal service delivery and local government restructuring in South Africa. No other policy-oriented unit in the field has taken the forward-looking positions that the Project has, backed them with credible research and effective advocacy, convinced opinion-makers of the appropriateness of the positions, and informed policy and practice. We regularly engage with policy makers at all levels of government and are asked for inputs/advice from development NGOs, community-based organizations, social movements, environmental organizations, labour unions, other academics and the local/national/international media.

Lessons learned

Perhaps the most important lesson learned from the Project is that academics linked to unions and community organisations can have an impact on policy debates and ultimately all aspects of the policy process, so long as the arguments are well-rooted in the reality of the democratic practices of daily life (rather than parachuted in as policy solutions from above). This linkage of academics to mass/grassroots organisations is a complicated process, but it is absolutely essential to ensure that our research and advocacy work remain relevant to those who are directly affected by service delivery issues. Creating an effective, accountable set of linkages is the key challenge, and although we feel that we have done reasonably well in this regard there is certainly room for improvement in the future.

Given the highly politicized and sensitive nature of municipal service debates (particularly privatization) in South Africa we have learned that the release of research reports and information requires careful planning. Our media strategies

evolved over the course of the Project with room for improvement in the future. We also learned that augmenting standard press and academic outlets for our research with popular videos was extremely important, hence our commissioning and close work with two successful Johannesburg-based video production companies and widescale distribution of our videos.

We were not as strong on the gender research as we would have liked to have been. This was due in large part to resource constraints – which have been alleviated in part by the development of the Gender Project with funding from the Finnish government – but was a notable weakness in the Project in terms of research methods and findings. In this area there is clear room for improvement in the future.

Finally, we have learned that a project of this scale needs a project manager who, if not full-time, can at least devote the majority of their time to managing project activities.

APPENDIX A
GENDER PROJECT

PRIVATIZATION IS A GENDER ISSUE!

Gender and Local Government Research and Capacity Building Project National Workshop

Municipal Services Project / Samwu

Durban, February 25-27, 2002

REPORT BACK

On February 25-27, 2002, the SAMWU/MSP 'Gender and Local Government Restructuring Research and Capacity Building Project' held a three day national workshop on gender and privatization. The workshop was attended by members of the project reference group, national office bearers and officials, and most importantly women (and a small number of men) workers from the water, waste and electricity sectors. Many of these workers were ordinary SAMWU members who were attending a national workshop for the first time.

The main objectives of the workshop were to deepen understanding within SAMWU of the gendered nature of privatization, and to help identify issues and sites for the research project. 'This workshop is very important,' said Nyameka Mafani, SAMWU Second Vice President, 'as it is the first major gathering of SAMWU women since the Women's Conference held in 1999.'

Comrade Roger Ronnie, SAMWU's General Secretary agreed on the importance of the workshop and the project. 'The project is helping to shift the way that we see gender in the union,' said comrade Roger. 'Through the project we are moving away from focusing on 'women's issues' like childcare and pap smears to analysing and attacking key union issues, like privatization, from a gender perspective.'

Throughout the workshop the reference group members took turns chairing and facilitating sessions, providing reportbacks, and even giving a keynote address. For many of them this was the first time that they had played these roles. Comrade Nomvuyo Mda told delegates that at the first meeting of the reference group the members were nervous as they didn't think they had anything to contribute. But, they soon learned that they knew a lot about privatization based on their own experience, and that we are all researchers. Even comrade Roger told the delegates that he, 'had learned more about gender as a member of the reference group than in the past 15 years in the union, and that [he] was still learning.' A number of delegates noted that these statements made them feel at ease, and that they were inspired by the reference group members. As a result, participation in the workshop was extremely high.

During the workshop delegates from the different sectors collectively developed huge maps of how their service is delivered in a typical privatized municipality. They then deepened their understanding of gender and the links between gender and privatization by

playing some gender games and debating case studies about privatization in other countries. Empowered with these tools delegates 'gendered' their maps by showing which activities are done by women. They clearly demonstrated that privatization is increasing the exploitation of working class women. The maps, and the process of making them, were extremely powerful. 'Until I saw the final maps,' said one delegate, 'I had never realised how much we women workers know about service delivery and privatization.'

The workshop participants provided critical information for the research project, and proved once again that workers are the real experts on service delivery. Although the research will only be conducted in a small number of municipalities, delegates were clear that the project needs to include the whole union. They recommended that workshops be run in all of the provinces, and that privatization be made a campaign for the new gender structures. Comrade Melanie and the reference group members will work with SAMWU's Equity and Gender Officer to see how the project team can help to take these ideas forward. In the meantime, Western Cape has already taken the lead – at the launch of their gender structure they incorporated many of the activities from the national workshop and comrade Melanie ran a half day session on gender and privatization. Privatization is a gender issue, and SAMWU women are already taking the lead!

PHANSI PRIVATIZATION AND GENDER EXPLOITATION!

For more information on the project, and on gender and privatization contact comrade Melanie Samson at the Johannesburg Satellite Head Office. Tel: 011-333-1582.

REPORT ON JUNE 6-7, 2002 REFERENCE GROUP MEETING FOR THE GENDER AND LOCAL GOVERNMENT RESTRUCTURING RESEARCH AND CAPACITY BUILDING PROJECT

1. Welcome and Re-introductions

Comrades Jeff and Elena submitted apologies for the meeting. Comrade Christina submitted apologies for day one due to a death in the family. Comrade Nomvuyo missed her plane and only arrived at lunch time. Mpumalanga sent an extra delegate to the meeting named Ezekial Michele.

During the re-introductions comrades each told their neighbour something that they had learned since the last reference group meeting. A number of comrades commented that the knowledge they had gained as members of the reference group had helped them to learn new things. Other comrades learned a range of skills related to their lives at work and in the home. The activity demonstrated that we are all always learning and growing in many ways, and helped reference group members to catch up on each others' lives.

2. Reports on the MSP Conference

The MSP hosted a conference on 'Services for All' from May 17-19, 2002. Unfortunately it was not possible to bring all members of the reference group to the conference for monetary reasons. Comrades Thato, Zola and Christina attended the conference on behalf of the reference group. Comrades Melanie, Vhutshilo and Mono also attended the conference on behalf of the MSP, and national and provincial SAMWU structures respectively. Each comrade provided a brief report on the conference. Key issues and themes raised by the comrades were:

- ◆ The Social Movements Film festival was very interesting and provided a good opportunity to make more people aware of struggles related to privatisation.
- ◆ The Arts Festival in Soweto was fantastic (except for delays). Artists had run workshops with children from Soweto on privatisation using different art mediums. The children then produced photographs, paintings, dances, songs and poetry about privatisation. The performance brought together professional artists and the children. This type of outreach to the community using arts was highly successful and we should consider using it more both in the MSP and SAMWU.
- ◆ Comrades learnt a great deal from the inputs on different international experiences of privatisation. It was interesting to learn that even in developed countries people experience problems with privatisation. The presentation on how the Israeli army uses control over water as a weapon of oppression was very touching and comrades felt that we need to create more exposure for this issue and provide some form of solidarity. It was inspiring to hear of successful campaigns against privatisation in other countries.
- ◆ It provided a good opportunity to bring community representatives and unionists together. There were a lot of comrades from community organisations present. It was unfortunate, however, that there were so few delegates from SAMWU. In the future more delegates from SAMWU should be able to attend these conferences.

- ◆ Lack of facilities for women
- ◆ Lack of protective clothing and equipment
- ◆ Inadequate health and safety education
- ◆ Casual and contract workers – the increasing utilisation of these workers, lack of job security, victimisation of these workers
- ◆ Lack of links between SAMWU and workers in privatised companies
- ◆ Failure of SAMWU shopstewards and organisers to recruit workers from private companies and contract and casual workers, and the misperception that SAMWU is not allowed to recruit these members
- ◆ Lack of links between SAMWU and community groups experiencing problems with/fighting privatisation
- ◆ Increasing requirement that workers work overtime without pay
- ◆ Lack of training and promotions for women
- ◆ Dangers faced by meter readers
- ◆ Lack of information in SAMWU provincial structures on privatisation processes in their process
- ◆ The need for SAMWU to produce guidelines for shopstewards and organisers on negotiating privatisation.

Section two of the Feasibility Study Report provides more background and detail on these issues.

It was agreed that the information contained in this section of the report is extremely useful and needs to be discussed and addressed by SAMWU structures. It was proposed that:

- ◆ SAMWU produce pamphlets/briefing documents on SAMWU policies on particular aspects of privatisation. These documents should provide shopstewards and organisers with negotiating tips.
- ◆ There should be a regular page in Workers' News that covers a different issue related to SAMWU's positions on privatisation in each issue.
- ◆ Pamphlets should be produced to tell communities about SAMWU's positions on privatisation.
- ◆ The session on shopsteward training looking at the duties of a shopsteward should draw on this information, and help shopstewards to understand what to do in different circumstances.
- ◆ There needs to be an information campaign inside SAMWU to inform comrades of the policy to recruit workers from private companies, as well as casual and contract workers. There should be a recruitment strategy and a process to recruit these workers.
- ◆ The Gender Structure should launch a listening campaign. As part of this campaign meetings would be called where women workers could present their problems and issues to local and branch office bearers as well as office bearers of the gender structures. This campaign will help to inform the SAMWU gender strategy. It will

also assist in retaining and recruiting women members, and forging stronger links between the women members and SAMWU.

- ◆ We should produce a document outlining the plight of women workers in the municipalities.
- ◆ Other provinces should follow the example of the Northern Cape and utilise public radio to reach out to workers and the community.
- ◆ All provinces should receive copies of this report to debate and discuss.

Comrade Roger will submit the report to the NOBs meeting on June 11, 2002, and they will discuss the way forward.

10. Finalisation of Research Sites

Comrade Melanie reviewed section three of the Feasibility Study which evaluated the potential sectors and sites. It was agreed that the research should focus on the waste management sector, and that the case study sites will be Johannesburg, Sol Plaatjie and Thabazimbi.

11. Introduction to Survey Tools

Comrade Melanie provided an input on surveys. Key issues addressed were the role and value of surveys, the meaning of and need for representivity, the design of the survey sample, selecting the variables by which the sample needs to be stratified, the formulation of survey questions, and the practical design of survey forms.

12. Group Work on Draft Survey

Comrade Melanie presented the draft worker survey. The draft only included questions on workplace related issues. The reference group members broke into groups to begin to identify questions to be included re. the effects of privatisation at the level of the household. Key questions that were identified were:

- ◆ What services do they receive?
- ◆ Who provides the service?
- ◆ How do they survive without services?
- ◆ Who does those chores?
- ◆ Who pays for the services?
- ◆ How many people work in the household? What other sources of income are there?
- ◆ What do they understand by privatisation?
- ◆ How was provision before privatisation as opposed to afterwards?
- ◆ How was the affordability of services pre and post privatisation?
- ◆ Do they know why these changes have occurred?
- ◆ What have been the benefits and inconveniences of privatisation?
- ◆ How has their quality of life been affected?
- ◆ What are the health hazards that have resulted from privatisation?

other members of the reference group. This document will be circulated to the other members of the reference group for comments. Comrades Gati, Mono and Nomvuyo will then conduct the interviews and draft the article. All reference group members will have a chance to make input into the article before it is finalised.

APPENDIX B
LIST OF PROJECT OUTPUTS

Appendix B

Project Outputs

(NOTE: This list has been divided into two categories – publications that are based directly on MSP research (A) and those that are an indirect result of MSP research (B) (i.e. not funded by MSP but informed by MSP-related research)).

A – OUTPUTS BASED DIRECTLY ON MSP RESEARCH

Books

David McDonald and John Pape, eds., *Cost Recovery and the Crisis of Service Delivery in South Africa*, Zed Press and HSRC, 2002.

Books in Progress

Patrick Bond and David McDonald, eds. *Water Privatization in Southern Africa* (forthcoming, HSRC Publishers)

Contains chapters on: overview of water privatization in the region and different forms of privatization; Constitutional rights to water; General Agreement on Trades and Services (GATS); research methodology; several South Africa case studies (Dolphin Coast, Nelspruit, Eastern Cape, Pretoria, Cape Town); several SADC case studies (Zambia, Mozambique, Swaziland, Zimbabwe).

Chapters in Books

David McDonald, "Up Against the (Crumbling) Wall: Privatization and Environmental Justice in South African Cities" in David A. McDonald (Ed) *Environmental Justice in South Africa*. Ohio University Press and University of Cape Town Press. 2002. pp 292-325.

Journal Articles

David McDonald, "No Money, No Service: South Africa's Poorest Citizens Lose Out Under Attempts to Recover Service Costs for Water and Power," *Alternatives*, 28(2), 2002

Alexander Loftus and David McDonald, "Of Liquid Dreams: A Political Ecology of Water Privatization in Buenos Aires," *Environment and Urbanization*, 13(2), October 2001

John Pape, "A Public Sector Alternative: Samwu's Efforts," *SA Labour Bulletin*, 25(4), August 2001

David Hemson. Water, concessions and poverty: a South African case study. Indicator South Africa, Vol 19, No 2: pp55-60. July 2002.

Patrick Bond, "Local Economic Development Debates in South Africa" Urban Forum, (forthcoming 2003).

Patrick Bond, "The Future of Decommmodification: The Case of South Africa", Futures, October 2002.

Patrick Bond, "Infrastructure and Class Apartheid", Indicator SA, 17, 3, 2000.

Greg Ruiters, "Environmental Racism and justice in South Africa's transition" in *Politikon*, 2001, 28 (1), pp 95-103.

Greg Ruiters, "After basic needs, social justice and water politics" in *Debate*, 5, 2001, pp 16-23.

Greg Ruiters, "Water Transnationals pull the strings" in *Land and Rural Digest* Nov/Dec 2000 No 15, pp 40-41.

Occasional Papers Series

David A. McDonald and Laïla Smith, *Privatizing Cape Town: Service Delivery and Policy Reforms Since 1996*. Occasional Papers Series No. 7. Cape Town: Municipal Services Project, 2002.

Patrick Bond, *Local Economic Development Debates in South Africa*. Occasional Papers Series No. 6. Cape Town: Municipal Services Project, 2002.

Hameda Deedat, John Pape and Msokoli Qotole, *Block Tariffs or Blocked Access? The Greater Hermanus Water Conservation Programme*. Occasional Papers Series No. 5. Cape Town: Municipal Services Project, 2001.

Maj Fiil-Flynn, *The Electricity Crisis in Soweto*. Occasional Papers Series No. 4. Cape Town: Municipal Services Project, 2001.

Mskoli Qotole, Mthetho Xali and Franco Barchiesi, *The Commercialization of Waste Management in South Africa*. Occasional Papers Series No. 3. Cape Town: Municipal Services Project, 2001.

Alex Loftus and David A. McDonald, *Lessons from Argentina: The Buenos Aires Water Concession*. Occasional Papers Series No. 2. Cape Town: Municipal Services Project, 2001.

John Pape, *Poised to Succeed or Set Up to Fail? A Case Study of South Africa's First Public-Public Partnership in Water Delivery*. Occasional Papers Series No. 1. Cape Town: Municipal Services Project, 2001.

Policy Papers/Reports

Patrick Bond, *Refocusing Development on the Poor: Local Economic Development Policy Paper* - Department of Provincial and Local Government, March 2002.

Special Reports

David McDonald. "The Bell Tolls for Thee: Cost Recovery, Cutoffs and the Affordability of Municipal Services in South Africa," March 2002.

Lance Veotte, "Restructuring, Human Rights and Water Access to Vulnerable Groups," December 2001.

John Pape, "A Public Sector Alternative: SAMWU's Efforts," August 2001.

Patrick Bond and Karen Bakker, "Report-Back on the 'Blue Planet' Conference in Vancouver," July 2001.

Patrick Bond and Horacio Zandamela, "Governance and Service Delivery in Eastern and Southern Africa: Issues for Debate, Directions for Research," September 2000.

Municipal Services Project, "Comments on the Unicity Commission's Discussion Document," September 2000.

International Labour Resource and Information Group in Partnership with Municipal Services Project, "Survey of Municipal Workers in The Cape Metropolitan Area," May 2000.

Background Papers

David McDonald, *Municipal Bureaucrats and Environmental Policy in Cape Town*. Background Research Series. Johannesburg: Graduate School of Public and Development Management, Wits University and Municipal Services Project, 2000.

Greg Ruiters and Patrick Bond, *Contradictions in Municipal Transformation from Apartheid to Democracy: The Battle Over Local Water Privatization in South Africa*. Background Research Series. Johannesburg: Graduate School of Public and Development Management, Wits University and Municipal Services Project, 2000.

David Letsie and Patrick Bond, *Debating Supply and Demand Characteristics of Bulk Infrastructure: Lesotho-Johannesburg Water Transfer*. Background Research Series. Johannesburg: Graduate School of Public and Development Management, Wits University and Municipal Services Project, 2000.

Patrick Bond, *Economic Growth, Ecological Modernization or Environmental Justice? Conflicting Discourses in South Africa Today*. Background Research Series. Johannesburg: Graduate School of Public and Development Management, Wits University and Municipal Services Project, 2000.

Patrick Bond and Robyn Stein, *Environmental and Water Management Law in Post-Apartheid South Africa*. Background Research Series. Johannesburg: Graduate School of Public and Development Management, Wits University and Municipal Services Project, 2000.

David McDonald, *Ideology and Urban Ecology in the New South Africa*. Background Research Series. Johannesburg: Graduate School of Public and Development Management, Wits University and Municipal Services Project, 2000.

David McDonald, *Immigration and Homelessness in the New South Africa*. Background Research Series. Johannesburg: Graduate School of Public and Development Management, Wits University and Municipal Services Project, 2000.

Ben Cashdan, *Local Government and Poverty in South Africa*. Background Research Series. Johannesburg: Graduate School of Public and Development Management, Wits University and Municipal Services Project, 2000.

Laila Smith, *The Urban Political Ecology of Water in Cape Town, South Africa*. Background Research Series. Johannesburg: Graduate School of Public and Development Management, Wits University and Municipal Services Project, 2000.

Stephen Hosking and Patrick Bond, *Infrastructure for Spatial Development Initiatives or for Basic Needs? Port Elizabeth's Prioritisation of the Coega Port/IDZ over Municipal Services*. Background Research Series. Johannesburg: Graduate School of Public and Development Management, Wits University and Municipal Services Project, 2000.

Patrick Bond, George Dor and Greg Ruiters, *Transformation in Infrastructure Policy from Apartheid to Democracy*. Background Research Series. Johannesburg: Graduate School of Public and Development Management, Wits University and Municipal Services Project, 2000.

Films and Documentaries

Hands-On Video, *Sparks Fly!*, Video about Soweto electricity crisis and global warming, made in conjunction with the Municipal Services Project, 15 September 2001, 30 minutes.

Seipone Productions, *White Gold*, Video about Johannesburg water consumption and Lesotho mega-dams, made for Municipal Services Project, 20 August 2001, 32 mins.

Seipone Productions, *Struggle for Shelter*, SABC Special Assignment Documentary about housing and water shortages in Durban townships, made in conjunction with the Municipal Services Project, 4 April 2000, 27 mins.

Seipone Productions, *Two Trevors Go To Washington*, SABC Special Assignment Documentary about debate over neoliberal global and local public policy (including municipal services), made in conjunction with the Municipal Services Project, 2 May 2000, 27 mins.

MSP Newsletter

Services for All: The Newsletter of the Municipal Services Project. No. 3, April 2002.

Services for All: The Newsletter of the Municipal Services Project. No. 2, April 2001.

Services for All: The Newsletter of the Municipal Services Project. No. 1, September 2000.

Theses completed by MSP personnel or involving primary supervision by MSP co-directors Bond and McDonald

Greg Ruiters – PhD, Johns Hopkins University Department of Geography and Environmental Engineering, Baltimore – Water Privatization in the Eastern Cape, South Africa (completed February 2002)

Horacio Zandamela – PhD, Wits P&DM – Local Economic Development in Mozambique (completion by year-end 2002)

Patrick Flusk – Masters of Management (MM), University of the Witwatersrand Graduate School of Public and Development Management – Municipal Services Partnerships Negotiations in Johannesburg (completed, September 2000)

Moeketsi Tedile – MM, University of the Witwatersrand Graduate School of Public and Development Management – Community Participation in South Africa's Community Sanitation Project (completed, September 2000)

Tamara Braam – MM, University of the Witwatersrand Graduate School of Public and Development Management – Gender, Public Works and Water Delivery in the Northwest Province (completed February 2001)

Laila Smith – PhD, Clarke University, Department of Geography – Citizenship and the Hydro-Politics of Water in Cape Town, South Africa (completed July 2002)

Alexander Loftus – MA, Queen's University – Water Privatization in Buenos Aires, Argentina (completed May 2001). Now completing a PhD in Geography at Oxford University and working on water commodification in Durban, South Africa, with the assistance of Project personnel.

Benoit Demanya – MA, Queen's University – The Privatization of Waste Management in Accra, Ghana (completed July 2001)

Robert Huish – MA, Queen's University – Water Privatization in Havana, Cuba (in progress)

Khutso Madubanya – MA, Massey University, New Zealand – Foreign Direct Investment and Water in Nelspruit, South Africa (completed December 2001).

Amanda Gillett – MM, University of the Witwatersrand Graduate School of Public and Development Management – Water Privatisation in Nelspruit, South Africa (completed July 2002)

Karen Cocq – Honours Thesis, University of Toronto – Water Privatization and Commodification in Zambia (in progress)

Newspaper Articles (written by project personnel)

David McDonald and John Pape, "Cost Recovery is Not Sustainable", *Mail & Guardian*, August 31, 2002.

Patrick Bond, "Unsustainable MegaCity", *Summit Star*, 20 August 2002.

Patrick Bond, "Elites Meet and Greet in Johannesburg"--*The Independent* (New York), August 2002.

David McDonald, "It's time to debunk the urban myth of South Africa's culture of non-payment," *Cape Times*, 14 March 2002.

David McDonald, "Seriousness of service crisis not understood," *Business Day*, 11 December 2001.

John Pape, "Commentary," *Cape Times*, 27 August 2001.

David McDonald, "Lessons from Argentina," *Cape Argus*, 17 May 2001.

Laïla Smith, "Not so fast on public utilities," *Business Day*, 15 April 2001.

Patrick Bond, "Simple steps needed to deal with water apartheid," *Business Day*, 10 April 2001.

Patrick Bond, "The benefits of lifeline water being ignored," *Mail & Guardian*, 29 March 2001.

David McDonald, "Debating water privatisation," *Business Day*, 29 December 2000.

David McDonald, "What it takes to be World Class," *Cape Argus*, 28 November 2000.

David McDonald, "Workers seen as cogs in the machine: Labour's views sidelined in Unicity," *Cape Argus*, 24 November 2000.

David McDonald, "Promises of free services sound good, but can parties deliver?," *Cape Argus*, 9 November 2000.

John Pape, "Brother can you spare a glass of water?," *Business Day*, 2 November 2000.

David McDonald, "Privatization no quick-fix for cities," *Cape Argus*, 31 October 2000.

David McDonald, "A Trojan horse for a privatized city," *Cape Argus*, 25 October 2000.

Patrick Bond, "More government confusion on privatisation?," *Mail & Guardian*, 13 October 2000.

David McDonald, "Budget-slashing can be perilous to your health," *Business Day*, 10 August 2000.

Patrick Bond and Greg Ruiters, "Jo'burg gets 'Seattled'," *Business Day*, 13 July 2000.

Media appearances by Project Personnel on Project Research

Television

- South Africa Broadcasting Corporation (SABC) evening news
- ETV evening news (South Africa)
- Canadian Broadcasting Corporation (CBC) (Kingston)
- Cable News Network (CNN) (United States)

Radio

- South African Broadcasting Corporation (SABC) – SAFM Morning
- P4 Radio (Cape Town)
- KFM (Cape Town)
- Voice Radio
- Radio 702
- YFM Radio
- Cape Talk
- Bush Radio (Cape Town)
- Zibonele Radio (Cape Town)
- Democracy Radio (Cape Town)
- Radio CCFM (Cape Town)
- Kaya FM (Johannesburg)
- National Public Radio (United States)
- Canadian Broadcasting Corporation (CBC) – Evening news, This Morning

Conference Presentations and Public Lectures

David McDonald, "You Get What You Can Pay For: The Theory and Practice of Cost Recovery", Harold Wolpe Memorial Lecture, University of Natal at Durban, South Africa, August 28, 2002.

David McDonald, "Cost Recovery and the Crisis of Service Delivery in South Africa", International Development Research Centre, Ottawa, October 30, 2001

David McDonald, "Privatization and Urban Protest in South Africa". Association of American Geographers Annual Meetings, New York, March 3, 2001.

Greg Ruiters, "Water Privatization in the Eastern Cape, South Africa". Association of American Geographers Annual Meetings, New York, March 3, 2001.

Patrick Bond, "Electricity, Privatisation and Social Struggle in Soweto"--Paper presented at the Transnational Institute, Amsterdam, 18 February 2002.

Patrick Bond, "Water Privatisation in SADC"--Presentations at the Southern African People's Solidarity Network Conference, Mangochi, Malawi, 28 November 2001.

Patrick Bond, "Consolidating Municipal Democracy through Service Delivery"--Presentation to the Electoral Institute of South Africa conference on South Africa's Local Government Elections, Johannesburg, 19 April 2001.

Patrick Bond, "Privatisation and Foreign Direct Investment"--Presentation to the Southern African Conference on Foreign Direct Investment, Labour Research and Resources Initiative, Windhoek, Namibia, 15 February 2001.

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Dr D. McDonald
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Dear Dr McDonald

Accept my sincere appreciation and gratitude for a copy of the latest research report by the Municipal Service Project that you have sent me.

It is indeed thoughtful of you and your office and I am grateful for that.

Be informed that we look forward to enhanced working relations in the interest of our province and the country as a whole.

Yours sincerely

E.M. DIFTICO

PREMIER: NORTHERN CAPE PROVINCE

a:thank you letter/report by the municipal services project /nf/er



The Crisis of Service Delivery

One of the great promises of post-apartheid South Africa was improved service delivery for the majority. In the early years of democracy, there was an impressive rollout of water and electricity infrastructure. By 1999, the government claimed to have connected 3 million new households to purified water. Yet, while such statistics have gained international acclaim, the experience of many poor people has been very different.

In 1996, the government abandoned the ANC's 1994 election manifesto, the highly redistributive Reconstruction and Development Programme (RDP). In place of the RDP came the neoliberal Growth, Employment and Reconstruction (GEAR). The GEAR macroeconomic framework steered South Africa away from developmentalism, to a state whose main aim was to facilitate profitability for the private sector.

The effects of GEAR cascaded downward to local government and service delivery regimes. The fiscal discipline of GEAR put pressure on local authorities to recover costs. National government reduced direct subsidies to municipalities. Many municipalities had no tax base or alternative source of income. Their reaction, in line with changing national policy guidelines and legislation, was to pressure households. Across the country, impoverished residents faced punitive measures

for arrears on service accounts. By late 2001, some ten million South Africans had experienced cutoffs of water. A similar number had seen their electricity cut, while some three million were evicted for non-payment.

While many government and business leaders blamed arrears on a "culture of non-payment" the reality was that poverty and HIV/AIDS were making it increasingly difficult for households to meet their obligations. Between 1996 and 2001 approximately 500 000 formal jobs were lost. The rise of the HIV/AIDS pandemic, coupled with government's refusal to provide antiretrovirals in state institutions, undermined livelihoods, especially in already vulnerable townships, rural areas and informal settlements. In a 2001 HSRC survey the vast majority of people with arrears stated that they simply could not pay them "no matter how hard they tried."

While the implementation of cost recovery measures affected people across the board, certain communities faced extra hardships. In rural KwaZulu-Natal, the government converted free communal taps to a prepaid card system with a R50 registration fee, as a result, thousands of people turned to cholera-infested rivers as an alternative to a water service they could not afford. The ultimate outcome was the largest cholera epidemic in at least a quarter century, with more than 100 000 infected and more than 100 deaths.



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More Neo-liberal Deception: Unmasking Cost-Recovery

A report on the 3rd Harold Wolpe Memorial Lecture

Lecture given by Dr David McDonald

University of Natal, Durban, August 28, 2002

by Annsilla Nyar

Cost recovery seems like an obscure term. It even sounds quite benign. Yet what Dr. David McDonald calls, the “dry-sounding technical term” of cost recovery, is actually one of the most potentially destabilising issues confronting South Africa right now. The third Harold Wolpe Memorial Lecture cut to the heart of this highly contentious and politically significant issue in a way that was intelligent, direct and above all, refreshingly free of politicking.

The lecture was also timeous for two reasons, one being that the seeds of radical discontent sown by cost-recovery are rapidly flowering into strong and increasingly organised civil unrest amongst those denied their right to basic services. The most visible representations of such popular resistance being the Soweto Electricity Crisis Committee (SECC), the Anti-Privatisation Forum (APF), the Concerned Citizens’ Forum (CCF) and the Anti-Eviction Campaign (AEC). The cost recovery policy has been mercilessly and indiscriminately enforced by the state, with those who cannot afford to pay simply being cut off, disconnected or evicted. Evictions are being performed, often at gunpoint, with homes and furniture sold in public auctions to recover arrears. Media coverage of such grim realities of the service delivery crisis has been wholly inadequate.

The other reason for the lecture's timeousness was the fact that service delivery issues were simultaneously being discussed at the World Summit on Sustainable Development (WSSD) in Sandton, Johannesburg.

The guest speaker at this Harold Wolpe Memorial Lecture was the distinguished political economist and geographer Dr. David McDonald, who is co-director of the Municipal Services Project (MSP) and head of Queens University’s Development Studies Program in Kingston, Ontario. The MSP, partly sponsored by Canada’s International Development Research Centre (IDRC), is a multi-partner initiative examining the restructuring of municipal services in South Africa and other countries.

McDonald immediately endeared himself to the audience through his sincere expression of appreciation for Durban as a site of creative intellectual debate, unlike, as he declared (somewhat unfairly, I thought), “Cape Town, the city where I have lived, where such debate seems to be on the wane.” The lecture that followed was brilliantly informative. It was based on a book co-authored by McDonald and John Pape, *Cost Recovery and the Crisis of Service Delivery in South Africa*, which is a joint HSRC/Zed publication. McDonald structured his presentation very well and provided an accessible introduction to the theory and practice of cost recovery, the resulting crisis and possible alternatives to cost recovery. The lecture was also refreshing in that McDonald was careful not to succumb to the ever-present danger of lapsing into technicist-type explanations, which confine the discussion to the providence of experts, and often assume, *a priori*, a policy context that is anti-poor.

McDonald began by developing a rigorous definition of cost recovery. He explained cost recovery in terms of neo-liberal prescription as essentially, the removal of public subsidies and the institution of fee collection for basic services such as sanitation, water and electricity supplies, such that the full costs of operation and maintenance are covered. This, he emphasised, "goes to the heart of the neo-liberal agenda." He pointed out that cost recovery is different to the subsidisation, that took place during apartheid, and drove home the fact that cost recovery is a post-apartheid phenomenon. Cost recovery is intimately linked to privatisation, as it often serves as a precursor to the latter by increasing the revenue base and thus maximising profitability before sale. It is often a common error to conflate cost recovery and privatisation, because as McDonald pointed out, many publicly owned service providers in South Africa are as aggressive in pursuing cost recovery models as their private sector counterparts.

Cost recovery is essentially about fiscal discipline, the bare-bones issues of Rands and cents, which is directly antithetical to the rights-based, pro-poor stance that the ANC government endorsed in its first revolutionary flush, through such powerful liberatory slogans as 'a better life for all' and 'from resistance to reconstruction'.

Apart from fiscal reasons, McDonald cited several factors relevant to the promotion of cost recovery including the inadequacy of local-national government transfers and the idea of 'competitive cities' that keep taxes low for businesses whilst transferring the burden of carrying the cost of service provision to the poor.

McDonald explained the inequities of the present tariff structure as well as the failures of enforcement mechanisms for payment. He also pointed out the historical injustices of "rural areas paying more than the urban areas for an indifferent service" while big business and white suburban households, that benefited the most from service subsidies under apartheid, are untouched by the crises of service delivery. MSP research shows that in Cape Town one third of outstanding arrears belong to big business but that business almost never suffers disconnections while the bulk of the 10 million disconnections of water and electricity effected since 1996 have been imposed on the poor.

One of the main arguments used to buttress the cost recovery line, is the argument that people are refusing to pay due to an 'entitlement mentality' – hence the Masakhane (*lets build together*) campaign's attempt to encourage the civic responsibility to pay. McDonald criticised government's stance on cost recovery to be "blindly ideological" and lacking the firm grounding of research, statistics and any kind of analysis: "You simply can't squeeze blood from a stone". Most people, the research shows clearly, simply cannot pay. Moreover many of those that do pay do so at the cost of not paying school fees or even cutting back on food.

One of the tragedies of the cost recovery story was demonstrated in mid-2000 with the outbreak of the cholera epidemic in KwaZulu-Natal. The primary causal factor was the imposition of fees for water that had hitherto been free (with the R51 reconnection fee being unaffordable for families living below the breadline), which forced desperate people to use water from polluted streams and rivers. The ensuing cholera outbreak was, as Deedat and Cottle describe, "the worst in the history of South Africa." Their data catalogues cholera fatalities as 229 for KwaZulu Natal and the total number of cases 105 762.

The cholera outbreak in KwaZulu Natal showed clearly the peculiar schizophrenic tendency so characteristic of government, with the Water Ministry simultaneously bristling in defence (claiming cholera to be a disease born of poverty) and yet admitting a level of responsibility. Many on the left (prematurely) saw it as a victory when Water Minister Ronnie Kasrils' declared that disconnections were "unconstitutional" as well as "unethical". Despite this encouraging announcement, disconnections and cutoffs still continued. MSP research shows that 256 325 households across the country had their electricity cut off and 133 456 households had their water disconnected in the last three months of 2001, which makes for six months after the DWAF free services programme was introduced. The crisis management efforts of the government (not including direct medical costs and losses in economic production) cost far in excess of what it would cost to supply proper water and sanitation to the country.

Thus those much-vaunted slogans of 'a better life for all' and 'from resistance to reconstruction' assume a ringing hollowness particularly when juxtaposed against the regular onslaught of relentlessly positive delivery statistics that South Africans are presented with. The ANC had itself voted into power on the strength of such promises as well as, more importantly, the understanding that the eventual beneficiaries of liberation, would be the urban and rural poor. There is no doubt that the issue of service delivery and the corresponding bitterness of unfulfilled expectations, is certain to lead to a serious crisis of governance for the ANC.

Should we not be positing viable alternatives, rather than just shouting 'treason' at the ANC? Certainly the MSP study has produced some interesting alternatives. John Pape has done this in depth in the last chapter of *Cost Recovery and the Crisis of Service Delivery in South Africa*. Regretfully, McDonald did not elaborate enough on what he called the task of finding, "ways of distributing resources without a price mechanism". He cited some short term solutions as be flexible payment plans, block tariffs that shift the cost to big users, fewer penalties, more realistic minimum 'lifeline' supplies for low-end users and a moratorium on service cut-offs.

That being said, it is impossible to sustain empathy for a state that unconscionably spends vast amounts on defence and arms to the detriment of social spending and basic services. It calls into question how government values the welfare of its citizens. Such services are a fundamental and very basic human right, not disembodied economic units that can be subject to cost benefit analyses. But then there are other forces at work.

The lecture was framed within the broader context of global neo-liberalism, as national governments around the world attempt to balance their budgets by shifting responsibilities onto municipalities and decreasing their funding transfers. Thus one notably missing element from the lecture was the role of international business and financial interests (such as the IFIs, the US government etc) in promoting cost recovery policies in South Africa. Northern donors, such as USAID notably, have been instrumental in pushing cost recovery by funding much of the work on service delivery options with private sector participation and cost recovery as a prerequisite.

It needs to be pointed out that the term 'cost recovery' is itself specifically derived from World Bank developmental- jargon lexicon. It is part of an arsenal of euphemistic deception promoted by The Bank, which masquerades as apolitical and value-neutral and which is determinedly deployed within the embattled terrain of world development under the guise of 'poverty reduction'. Related terms such as 'cost reflexive' (meaning

maximising profit) or 'credit control' (meaning disconnections) are also part of the dominant language of development-speak as developed, refined and transmitted by the IFIs. Such terms perform a mystifying and overall numbing function that insulates expense-account development officials, consultants and politicians from real-life struggles, dulls empathy to hardship, reproduces class-race segregations and so dehumanises the very people in whose name the new order is justified.

The combination of an intelligent presentation with a receptive and diverse audience of 183 made for an extremely successful Harold Wolpe Memorial lecture. More food for thought came from a comment by the moderator Professor Adam Habib during question time, when he said, "I'm surprised by the silence of the academics. I'd like to hear what they have to say." Well, I thought, perhaps we should not be berating the 'silence of academics'. The stock in trade of academia is talk. Talk that is more often than not, unaccompanied by meaningful action or praxis. Academics can provoke and stimulate debate, but they can also block and distort it. The assumption of elitist knowledge and intellectual superiority over the plebeian masses does not carry with it the corresponding ability to promote enlightenment or human progress. This is not to diminish the important role that academics play in society. But, in looking around the room in which so many different faces, from all walks of life were represented (from Concerned Citizens Forum members with red *bhindis* on their foreheads, to young dreadlocked men from KwaMashu, suburban housewives, intense note-taking students and staid academic heads of department), it might have been more appropriate to instead laud the fact that a cross-section of society was represented and that voices other than the norm were speaking. I am, of course, mindful of the fact that it takes patience and time to cultivate the confidence of self-expression, especially amongst those who have been historically disempowered by forces such as apartheid.

But the comment I carried home with me and reflected on at length, came from McDonald. As part of his response to audience questions about the influence of social movements and the extent of grassroots involvement in the MSP research, McDonald countered, "I know a white petty bourgeois academic from Canada won't change the world. Only grassroots activists will." This is a very limited view of the possibilities for change. Why should change only be the province of the grassroots activists? We all have our part to play in changing the world: petty bourgeois academics, housewives, students, Northerners, Southerners i.e. all of us. This is so by virtue of the fact that all of us, as conscientious, self-aware and developmentally-conscious human beings, have our own particular skills, talents, energies and passions that we can contribute and shape toward such a progressive end. This then is surely our greatest challenge.

Annsilla Nyar is a researcher at the School of Development Studies at the University of Natal. She can be contacted at nyara1@nu.ac.za

APPENDIX C
NEWSPAPER ARTICLES
BY AND ABOUT THE PROJECT

20
DAVID
McDONALD

THE SUNDAY INDEPENDENT

April 28 2002 R4.90 (inc VAT)

PUBLISHED IN SOUTH AFRICA

Violent resistance to service cut-offs echoes eighties

By Simon Emswale

The culture of violent resistance to paying for services that swept through South Africa in the 1980s - epitomised by the cry of 'astronazi' ('we have no money') coined in the Durban township of Lamontville - seems to be creeping back, threatening to undermine the new government's policy of providing services to the previously disadvantaged.

Increasingly as if to fuel this new spirit of resistance to paying for services, Mbongeni Ngema's play *Adapted*, has just been re-staged in Johannesburg. The very scene where pitched battles are being fought between the new class of bureaucrats and the new foot soldiers against utility disconnections.

And in Durban, metropolitan treasurer Elisha Kumar, in his report to the council on outstanding debtors, observes that local authorities throughout the country are generally faced with a chronic increase in outstanding debt.

"This obviously impacts significantly on regular cash flow and has serious implications for future viability of such authorities."

The question from various quarters has justifiably been posed regarding the extent of the council's outstanding debt whether the council has or will potentially be faced with a serious problem with debtors levels," says Kumar.

A report titled *The Bell Tolls For Them: Our Recovery*. Cut-offs and the

Affordability of Municipal Services in South Africa, paints a frightening picture of service water and electricity disconnections countrywide in middle- and lower-income homes.

The study was conducted by David McDonald, co-director of the Municipal Services Project, an educational initiative examining the restructuring of municipal services in southern Africa.

The statistics presented in McDonald's report are sobering as they offer a picture of post-apartheid service delivery that is at best plagued

Local authorities face chronic rise in outstanding debt

by affordability problems and overly aggressive bureaucrats bent on recovering costs. At worst it projects deep failure on the part of the government - local and national - to ensure an affordable supply of essential services to all. "That the government has not been closely monitoring and evaluating the scale and character of service cut-offs and affordability is itself deeply concerning," observes McDonald.

His report also makes up a chapter in a forthcoming book edited by

McDonald and Dr John Pope that will be published by the Human Sciences Research Council of South Africa soon. Tentatively titled *Service Delivery in South Africa: The Impacts of Cost Recovery on Basic Municipal Services*, the book includes a chapter on "The theory and practice of cost recovery", and contains six detailed case studies in various parts of the country.

This chapter is being released early because of its relevance to policy debates and the significance of the findings to current developments on the ground in the country.

It comes at the time of mushrooming anti-eviction and anti-cut-off organisations nationwide.

As we have seen in areas where residents fought against the installation of water meters, these protests have been accompanied by violent clashes with police and security personnel.

In Hammarsdale, residents vandalised municipal property, stopped city workers from installing new water meters and demanded to pay a flat rate of R40 for water. In many cases, community resistance has been met with bullets, teargas, arrests and serious injury.

The report, gleaned from a random and stratified sample of 2,500 people conducted in July 2001, is representative of the entire South African population older than 18 years. It offers the first glimpse into the national experience of cost recovery and service cut-offs. In

examining the national experience with service cut-offs for non-payment of bills and arrears, it paints a shocking picture of nearly 10 million South Africans who have had their water cut off for non-payment.

The same number of people have experienced an electricity cut-off.

"More than two million have been evicted from their homes for the same reason," McDonald says.

Estimated figures of disconnections are a depressing scenario, given that at the time of the first democratic elections in South Africa

'More than two million people have been evicted'

In 1994 the ANC estimated that 12 million South Africans did not have access to clean drinking water. The number of people who did not have adequate sanitation was put at 21 million in 1994. Since this time there have been major expansions of service infrastructure, particularly in the areas of water and electricity. While it is low-income African households that bear the brunt of these service cut-offs, lower middle-income families are also being affected, with the highest proportion

of cut-offs taking place in households that earn between R2,001 and R3,000 a month.

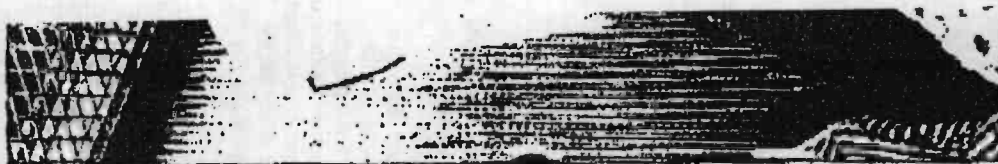
The report also reviews public attitudes towards "free services" for water and electricity and the use of "black tariffs". It reflects a widespread support for "free services" as long as services are being provided to low-income families.

The report also examines the affordability of services, noting that these costs vary across the country and even within municipalities. This makes it impossible to identify a "typical" service bill, but averages could be drawn from the survey conducted in the same report. For those who have service infrastructure and receive regular bills, the average total cost a month for water, electricity, sewerage and refuse removal ranges from R204 to R400.

In conclusion, the report suggests that the most important information drawn from this survey is that there is an urgent need to debunk the myth of a "culture of non-payment".

"If, as I have argued here, the ability to pay is more important than willingness to pay, then no amount of moralising or threatening is going to alleviate the payment crisis in this country. You cannot squeeze blood from a stone," McDonald says.

He argues that essential services need to be made more affordable for poor households. The other conclusion that flows from the issue of affordability he argues, is the need for major debt relief for service arrears.



Residents of K... when the supply

Cost recovery is not sustainable

COMMENT

David McDonald and John Pape

Since coming to office in 1994, the South African government claims to have provided seven million additional people with access to clean, running water and 3.5-million people with access to electricity.

While impressive, these figures have been challenged on a number of fronts. One criticism is that much of the infrastructure is of low quality or no longer operational. Another criticism is that millions still remain without services.

Even more fundamental is the argument that service delivery is being undermined by policies of cost recovery. That is, by charging people the full cost of the services they receive. A recent survey by the Municipal Services Project and the Human Sciences Research Council found that up to 10-million people have had their water and/or electricity cut off since 1994. In most cases, those cut off were simply unable to pay the rising costs of water and electricity.

The extent and harshness of these

cut-offs is unprecedented in South Africa. While service delivery was woefully inadequate under apartheid, very few cut-offs for non-payment occurred.

In the brave new world of neoliberalism, by contrast, cost recovery is the guiding ethos of service delivery. For the African National Congress — and every other major political party — cost recovery is about balancing budgets, fiscal restraint and running the country like a business.

Some even argue that policies of cost recovery are “pro-poor”, ensuring financial “sustainability” and providing the capital to extend services to those who do not yet have access.

Equally important are the moral arguments used to support cost recovery. Poor people are often accused of being locked into a “culture of non-payment”, abusing their “right” to water and other basic services while refusing to accept their “responsibility” to pay.

In classic liberal terms, cost recovery is a form of market discipline, keeping in check our self-maximising desires by forcing us to pay the full costs of a good or service.

Only in this way can we learn the “true value” of a scarce good such as water.

But cost recovery is linked to another agenda: the privatisation and commercialisation of municipal services. Full (or near full) cost recovery is a prerequisite for potential private investors. No firm wants to buy into a business that only collects 40% of its revenue base.

It would be a mistake, however, to conflate cost recovery and privatisation. Most publicly owned service providers in South Africa are also pursuing cost recovery models, hoping to become more “efficient” and more “accountable” in their own right. In fact, public sector managers are often the most aggressive proponents of cost recovery, keen to mimic private sector counterparts.

The failures of this model run deep. The cholera epidemic in

Cost recovery is not pro-poor. It penalises those most in need of service support

KwaZulu-Natal, for example, created in part by the imposition of cost recovery on water, has cost the state tens of millions of rand more in crisis management than it used to spend to provide water for free. Cost recovery has also had severe social consequences, leading to the loss of personal dignity, environmental degradation and increased domestic violence.

Our conclusion is that both the economic and moral arguments for cost recovery ring hollow. Cost recovery is not pro-poor. It penalises those most in need of service support while those who benefited most from service subsidies under apartheid (big business and white suburbanites) escape the financial responsibility of reversing apartheid's legacies.

So what is to be done? “Free services” may help alleviate these concerns. But even with free lifelines, thousands continue to have their services cut off because of arrears. Data, for example, shows that 256 325 households across the country had their electricity cut off and 133 456 households had their water disconnected in the last three months of last year — six months

after the free services programme was introduced.

Block tariffs (charging more as consumption increases in order to subsidise the poor) can also make a difference. But most tariff structures in South Africa are only marginally progressive. In some cases industry and suburban households pay less for water and electricity than low-income households.

The bottom line is that the citizens of South Africa have a constitutional and human right to basic services. Harsh cost recovery measures are undermining these rights.

The government is faced with a clear choice: either abandon the dogma of cost recovery or face the wrath of thousands, even millions, of citizens victimised and criminalised because they cannot afford to pay the price of the essential requirements of life.

David McDonald and John Pape are the editors of *Cost Recovery and the Crisis of Service Delivery in South Africa*, released this week by Human Sciences Research Council Publishers and Zed Press

M + G

30 August 2002

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NOW THE NEW LEFT RISES TO FIGHT ON

by Vukile Pokwana, *City Press* 25 May 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Business Report*

Trevor Ngwane, the "electric rebel" who makes it his cause to reconnect the community of Soweto to the power grid when the government disconnects them for failure to pay their dues, is the chairperson of the Soweto Electricity Campaign.

He is now facing serious criminal charges, brought by the very organisation he served so diligently, the ANC.

Ngwane is a prime example of a growing and disgruntled "social movement" in a new politicised generation of twenty- and thirty-something mainly black intellectuals that defines itself as the New Left.

He is passionate about the New Left movement. It is the government in waiting, he says.

But for now, the arduous task at hand is to deal with the tactics of the "vicious and clever" government.

The New Left wrestles with much the same issues that gave the "Old Left" - today's governing elite - the unstoppable momentum for liberation and finally put them in power.

Some in this new social movement see themselves as the new government-in-waiting.

The actions of SA's social democratic government, coupled with its problems in delivering on promises made, together with, on the other hand, the demands of international business, have given rise to the birth of the black sheep in the progressive-politics family.

The New Left is a grassroots, progressive child with a troubled legacy, a doubtful future, a fragile identity and a bruised ego. It may be that the neo-liberal approach adopted by the ANC-led government has fertilised the political turf for a new front of common resistance.

The New Left is here and slowly taking charge of day-to-day politics by waging the struggle for the working class and the

proletariat on various issues.

Their causes include land distribution and the lack thereof; evictions, health and the AIDS issue in particular; and the environment, education and globalisation. Watch out for them at the upcoming World Summit on Sustainable Development in August.

This complex and sometimes self-contradictory movement is set on serving the people. It is bent on fighting capitalism and free-market thinking. The New Left is increasingly becoming the intellectual trait of our time - a new, deliberate post-apartheid phenomenon.

They call themselves "comrades" and are now engaging friends with whom they shared life and sacrifice in the struggle not so long ago.

The New Left is led by intellectuals conversant with popular culture, economics, science and philosophy. The rank and file are deeply affected by the policies of the new government. The intellectuals provide the political theory and the masses identify issues and react.

Those fortunate to have swelled the ranks of national government believe the New Left wants to restore the utopian, unattainable ideal of the struggle by resurrecting failed socialist policies which led to the collapse of communism in the Eastern bloc.

But the New Left are stoically purist in their ideals of true liberation. They are gradually gaining momentum, much like in the heyday of the former radical left which is now in government. They feel they are causing the new government discomfort and indigestion.

As a result, they suffer "censorship". They feel they don't have a voice, except when they criticise the government privately in the comfort of their homes and in the company of like-minded intellectuals.

Professor Patrick Bond, an economist, is modest about the approach of the New Left.

"It is not a grassroot organisation that is fighting the ANC. Rather, it is against neo-liberalism and the old guard," he says.

"There is a cliqu in the ANC that - without going through a

democratic process - has imposed neo-liberalism (on the masses)."

Bond, the author of a number of books about the left, believes globalisation, a manifestation of neo-liberalism, is systematically underdeveloping communities.

Ashwin Desai, who leads the Eviction Movement in Durban, explains that the New Left "is about fighting the capitalists who want to debilitate the efforts of the poor".

"We do not believe in a political party. The debates by the SACP and Cosatu are passé and we are now mobilizing people at grassroot level. We are dealing with basic issues of water, electricity, environment and evictions.

"We are organized against a government that is making our people barbaric and making our people live in squalor."

The New Left, according to MP Giyose, national chair of Jubilee 2000, wants to build a formidable social forum. The national forum will deal with various interests and struggles waged by the grassroots, not just in SA but around the world.

Giyose believes one of the reasons why a cohesive body does not as yet exist is because, although people want change, they are still confused on what to do after voting "their government" into power.

Asked about the relevance of building such a structure when issues of the working class around the world are not necessarily interrelated, Giyose replies: "It is the poor who are now dealing with issues of ecology in South America and the threat to the Amazon basin and rain forests. In West Africa the anti-war movement of Sierra Leone is concerned over the rain forests, which have been used to sponsor wars and are faced with depletion. We do have the same issues but in different climes."

The New Left's hefty responsibility is in dealing with international struggles. Giyose emphasises that we're witnessing the revival of communism.

"We are dealing with issues in a very real way, a dynamic way and are engaging huge masses. This is going to be the biggest social movement since the fall of communism."

Oscar Oliviera from Cochabamba in Bolivia disagrees that the New Left is about the revival of communism. He believes that

"this new movement is about the product of space that people are creating for themselves".

"This is not hierarchical; people are breaking the pattern of following leaders and obeying orders and being told what to do".

"There is strength and willingness to fight to put an end to neo-liberalism ."

Oliviera has been touted as the modern-day Che Guevara, but his tactics are different . In 2000 he won the Goldman Prize, a progressive alternative to the Nobel Peace Prize.

The new Left: Who are the new comrades?

The New Left is producing a crop of leaders who have been part of the liberation movement in the country and who are now the new gem of the social movements

Dubbed the "singing voice of the South African liberation movement", Prof Dennis Brutus is at the forefront of the anti-globalisation campaign and part of the new social movement for social change and justice.

Brutus - a poet, teacher and freedom fighter - served time on Robben Island. He is now fighting "global apartheid" and has dedicating his life to fighting the "injustices" of the IMF and World Bank policies in Third World countries.

Dr Ashwin Desai is at the forefront of civic matters in Durban and has led several campaigns on water, electricity and evictions. Desai has also published three books: The Fourth, The Poor of South Africa: Race, Class and Social Movements in Post-Apartheid South Africa.

He is a part-time lecturer in journalism at Natal Technikon. He was a student activist at Rhodes University where he obtained a master's degree and a doctorate from Michigan State University.

Trevor Ngwane of the Soweto Electricity Crisis Committee, is probably the most visible figure in the social movements locally and abroad. He has featured in a documentary The Two Trevors in which he was highly critical of Finance Minister Trevor Manuel's policis.

He is an electricity activist, reconnecting people to the Eskom grid in Soweto when their supply is suspended. Recently he

faced criminal charges for allegedly setting the house of mayor Masondo on fire. The ANC hates him with a passion.

Adurrazack (Zackie) Achmat was baptised in politics at the tender age of 14 and was in the forefront of the June 1976 uprisings. In the 1980s he went underground and built up a number of non-governmental organisations.

He spearheads criticism of the policies of Minister of Health Manto Tshabalala-Msimang on AIDS.

He is the chairperson of the Action Treatment Campaign and is lobbying for the rights of HIV-positive people. Achmat has become a national hero in the fight against AIDS.

The social movements that carry the banner of the New Left banner include the following organisations:

The Landless People's Movement; Durban Social Movement; Movement for Delivery; Concerned Citizens Forum; Anti-Privitisation Forum; Ceasfire Campaign; Vaal Working Class Co-ordinating Committee; Protea Glen Concerned Residents; Anti-Eviction Campaign; Nelspruit Anti-Privitisation Coalition; Upton Civic Organisation; United Civics of South Africa and Tembisa Social Forum.

The people in these structures are currently debating whether to form a unique social movement and the name Social Forum of South Africa has already been bandied about.

Left on outskirts of a classless society

The ANC and the SACP "are not threatened by the New Left" and have instead raised their discontent about the manner in which the New Leftists are conducting themselves.

ANC spokesperson Smuts Ngonyama told City Press "their agenda is something we cannot describe. They go out and destroy property and threaten the privacy and security of people. They are desperate for attention They are gaining momentum by attacking the ANC and government.

"Trevor (Ngwane) and Dennis (Brutus) were regarded as progressive in the past. This is an experience South Africans should learn from - people turning against the revolution by coming up with new accusations to weaken the ANC and our democracy."

SACP media officer Mazibuko Jarha agrees with Ngonyama: "T

he people who regard themselves as the New Left are essentially a collection of ultra-left forces and have no common programme. What brings them together is their hatred of the ANC and disagreement with the SACP, and wanting to hive off Cosatu .

"We agree with some of the issues . . . that electricity must not be cut and people should have education, but they are exploiting deepening capitalism and the needs of our people.

"They want a socialist leap and think that socialism will come overnight. The SACP has a hegemonic programme for the working class and will remain in the mainstream of socialist politics . The so-called New Left will always remain outside the mainstream of socialist thought."

SOUTH AFRICA'S ENDURING DISCONNECT: POWER ISSUE REFLECTS MUCH DEEPER DISSENT

by Samson Mulugeta, *Newsday* 19 May 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Business Report*

Soweto, South Africa - On a narrow, bustling street in this sprawling suburb, few passersby paid much notice as Philip Matseone swung a hoe to unearth a thick electric cable that could electrocute him in an instant.

On these streets, Matseone and other members of Operation Khanyisa - "Reconnect the Power" in Zulu - are familiar figures. They roam the township openly defying police and the state-owned electric utility, Eskom, by re-connecting power to thousands of households whose electricity has been cut off for non-payment.

"Electricity and water are a right, not a privilege," said Matseone, wiping sweat from his bald pate and adjusting his track suit. "We're just taking what the government has promised us."

The vast majority of more than 4 million Sowetans back Matseone and his friends, and have turned large swaths of the township into "no-go" areas where Eskom meter readers are chased away by residents. Of 237,000 households covered by the utility in the region, only 38 percent pay their bills, according to a company spokeswoman.

The conflict is one of the enduring legacies of this nation's anti-apartheid struggle. For decades, until white minority rule was ended in 1994, Sowetans had led the fight by boycotting schools to protest inferior education, and by refusing to pay for government services, including rent and utility bills.

When Nelson Mandela's black-led government took power, it canceled utility debts with a tacit agreement from residents that they would start to pay their bills. But in the eight years since, more than 1 billion rand (about \$100 million) in new debts have piled up. Non-payment, while it is most pervasive in Soweto, is a pattern in black townships across the nation.

The conflict divides former comrades-in-arms of the anti-apartheid struggle. Leaders of the ruling African National Congress blame "the culture of non-payment" the ANC encouraged during the struggle. Soweto activists say it's a principle of social justice. Access to basic services such as electricity and water was the cornerstone of the better life that the ANC promised to the disenfranchised black masses, they say.

"The ANC taught us these tactics," said Trevor Ngwane, the head of the Soweto Electric Crisis Committee, a grassroots movement that opposes Eskom's efforts to cut off service. "The memories of our struggle are still fresh. We want to fulfill Nelson Mandela's promise of better life for all."

Ngwane was hauled off to jail two weeks ago after leading a demonstration outside the home of Johannesburg's mayor, Amos Masondo. "I was in prison with him [Masondo] in 1985," said Ngwane, speaking from a downtown Johannesburg office decorated with populist posters. "He's not a bad guy, but he's forgotten where he came from."

Once an ANC elected official himself, Ngwane said he was expelled for failing to follow the party line on the electricity issue. "For years, the apartheid government provided jobs and basic services for poor whites," Ngwane said. "Now blacks are in power, but we are still struggling with 40 percent unemployment. We built this country, but we still don't have anything to show for it."

Eskom officials say they are willing to work with the community to find a solution that includes giving a basic minimum allowance of electricity to the very poor. "Electricity is like any service that must be paid for," said spokeswoman Susan Chapman. "We know there are broken meters, we know there are illegal connections and that there is a lot of unpaid debt. We want to work with the community to find a sustainable solution."

Skeptics say the government's drive to collect debt is driven by its desire to privatize the electric utility.

"You have companies from Texas and France coming here to talk about squeezing more profit out of these utilities," said Patrick Bond, a professor at the University of the Witwatersrand in Johannesburg who has researched basic service delivery in the country. "But South Africa has the most extreme inequality in the world, and with AIDS and poverty widespread, cutting off electricity is often cutting off a lifeline."

In one Soweto neighborhood known as Meadowlands, it took members of Operation Khanyisa two hours to wire the home of Malebo Maphike to the power outlet at the street. Maphike, 49, said his power was cut off in 1992 after he was disabled in an auto accident and was unable to pay his bills. Tapping an ancient black-and-white TV set atop a dresser, Maphike said he had only one wish. "When the World Cup starts in a few weeks, I just want to sit back and watch without using a car battery."

SOUTH AFRICA NEARLY 10M PEOPLE HAVE HAD THEIR WATER CUT

**By Anthony Stoppard, *Grantmakers Without Borders* 6
May 2002**

PLEASE NOTE: Readers wanting to reproduce and reference
this article should contact *Grantmakers Without Borders*

Nearly ten million South Africans have had their water and electricity cut because they could not pay their bills, and two million people have been evicted from their homes for failing to pay their water and electricity bills, a new report says. The report, drawn-up after a national survey by the Municipal Services Project, a non-governmental organisation (NGO), and the government's Human Sciences Research Council (HSRC), concludes most South Africans are simply too poor to pay for basic essential services.

The survey, on which the report was based, was conducted just as free water and electricity policies were being introduced in South Africa, in July 2001. Poor households in South Africa are entitled to a minimum amount of free water and electricity. While the programmes are well underway, they have still not been implemented in many areas of the country.

"It is possible that attitudes towards service affordability and cost recovery have changed and that fewer households are having their water and electricity cut off for non-payment," says the report. However, criticisms of the effectiveness of the free services programme, along with widespread reports of ongoing service cuts and evictions, suggest that affordability remain a major national problem, it adds.

The report goes on to describe the South African government's record on service delivery as "very mixed". There have been impressive improvements in infrastructure, but there also have been some spectacular failures in terms of monitoring, regulating and addressing what is clearly a national crisis in the affordability of basic municipal services, it explains.

Poverty is the most important reason why people are not paying their bills.

Most low-income households keep careful records of their service bills, know exactly how much they owe and are deeply concerned about how they are going to pay their current bills

and arrears. "People take their payments seriously, they have statements on file going back several years. This is not the behaviour of someone who does not care about paying for their services," explains Municipal Services Project co-director, David McDonald.

Case study research has revealed a desperate situation where families are forced to choose between paying their service bills or buying essentials such as food and clothing.

Ironically, the report was released as a heavyweight South African government delegation joined the United Nations Financing for Development conference in Monterrey, Mexico. The five-day conference aimed to look at ways to finance programmes designed to eradicate global poverty and fast-track social development and economic growth in the poor countries of the world.

Mbeki has made it clear that his government's priority for the year is poverty alleviation and Manuel has backed him up by earmarking "substantial amounts" in the budget for social development and poverty alleviation.

Government is also embarking on a national campaign to register all people eligible for social grants - its most effective poverty alleviation programme.

There are presently 4.3 million South Africans receiving pensions or grants and government hopes to increase this figure by another million this financial year. It also hopes to register another 1.5 million children who are eligible for state grants.

But, in the meantime, many residents in township and informal settlements have taken to illegally connecting their homes to the national electricity grid and using the power, for free. State power company, Eskom, has been clamping down on the practice because it is dangerous and is costing the corporation so much that it is threatening the financial viability of its programme to provide electricity connections to all South African homes.

But, a small group of militant activists, the Soweto Electricity Crisis Committee and the Anti-Privatisation Forum, are actively engaged to mobilize and to demand an end to the cutting of electricity to those who have not paid for the service and the disconnection of illegal power connections.

PLANS FOR WATER WORRY KASRILS

By Rusana Philander, *MetroBurger*, 2 May 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *MetroBurger*

"WATER is the source of life and everyone has a right of access to a basic amount of potable water. It becomes a concern to me when people challenge this right on the basis that only those who can afford to pay for water should have access to it."

These were the words of the minister of water affairs and forestry, Mr Ronnie Kasrils, in a recent newspaper report. According to a study by two Canadian academics, Mr David McDonald and Ms Laila Smith, water will soon be privatised. "It is inevitable that those who can't afford to pay won't have any access to water. Private companies that are only interested in profits, will take control of water services," Smith said.

"Water cut-offs in areas on the Cape Flats have also increased dramatically. These are all signs of privatisation. As part of its broader shift towards the commercialisation of municipal services the city of Cape Town is proposing to corporatise its water and sanitation services as well as those of solid waste and electricity.

"Although different in some respects from privatisation and outsourcing, corporatisation shares many of the same operating principles and is often the first step towards the outright privatisation of a service."

In the two academics' reports, "Privatising Cape Town, Service Delivery" and "Policy Reforms since 1996", the senior water manager is quoted as saying: "Lyonnais des Eaux has knocked on my door twice. These French water companies have become too powerful to resist. The takeover is inevitable. I want to run our services like solid business units to make sure that we negotiate from a position of strength when it happens."

Mr Faizel Brown of the Western Cape Anti-Eviction Campaign said the reason for the privatisation of water services, is the government's attempt to recover costs, something that was unsuccessful. "This is also due to an improper billing system and non-payment of water accounts. There is currently an

outstanding debt for water accounts of R516,7 million," he said.

McDonald added that not much has been done since the days of apartheid to make service delivery in Cape Town more equitable.

"The heavily subsidised municipal services white Capetonians received in the 1970's and 1980's are still on track. A survey of each of the 13 water and 33 waste depots revealed that per capita distribution of public resources for water delivery and waste management are highly skew along race and class lines. One hundred times more resources are available in many historically white suburbs than in black townships."

"Senior managers themselves admitted that the corporatisation of water could lead to price increases of 30%-50%," according to Mr Arthur Clayton, executive director of the water and sanitation department of the Cape Town unicity.

WATER PLAN UNWELCOME

By Rusana Philander, *MetroBurger* , 2 May 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *MetroBurger*

In recent months there have been protest actions and even threats from the Western Cape Anti-Eviction Campaign to disconnect the water of the then Cape Town mayor Mr Peter Marais, all attempts to halt the national government's plan to corporatise/privatise water.

And with the implementation of a new pre-paid water system academics and activists warn that this is the first sign of denying the poorest of the poor access to water in the long run.

According to Dr David McDonald, co-director of the municipal services project at Queen's University in Canada, the City of Cape Town is planning to "corporatise" not privatise water and sanitation. "The City officials will tell you that these are two completely different things. To some extent this is true particularly in terms of ownership but I have argued that the ringfencing of a municipal service introduces the same basic 'bottom line' principles as privatisation," he said.

Recently pre-paid meters were installed in areas like Klipheuwel in Kraaifontein and Klipfontein near Phillipi.

Mr David Erleigh, Cape Town's executive committee member responsible for city infrastructure, said two weeks ago at the launch of the system, that the city is the first in South Africa to introduce this successfully. He is also quoted saying that within time it will be installed throughout the city.

"The advantages far outweigh the disadvantages and it is a fact that it will enable people to manage their water consumption and finances."

But according to McDonald the introduction of pre-paid water systems "are not in the interests of the poor (as the council says they are).

"All pre-paid meters do, is force poor households to consume less by cutting themselves off. So, rather than the city having to go in and cut off water for non-payment (which, as we have

demonstrated with our research is due to the fact that people cannot afford to pay, not because of the so-called "culture of non-payment") the city lets the technology do it for them. They simply distance themselves from what I would call the 'structural violence' of cost recovery," he said.

He continued that multi-national corporations and international institutions are amongst the most active agents in promoting water privatisation around the world.

"That is why Southern Africa is no different. Privatisation may also be forced on countries as a condition attached to international finance institution loans, international standing or bail-out packages."

Critics of privatisation contend that only the public sector has an incentive to supply a very poor household with water, using a subsidy, since the costs of treating diseases like cholera or diarrhoea can be so high and pose a danger to the economy and society at large.

He continued that corporatisation is also seen as the first step to outright privatization. This is what bureaucrats want.

"Senior managers themselves admitted that the corporatisation of water could lead to price increases of 30%-50%," according to Mr Arthur Clayton, executive director of the water and sanitation department of the Cape Town unicity.

ACTIVES APRIL 28 2002

SUNDAY ISSUE 'ASINAMALI'



■ Protesters in an eyeball-to-eyeball situation with police as anger at increasing rates mounts throughout the country

The government and its fledgling municipalities are faced with the daunting task of providing services like electricity and water, while at the same time disconnecting the very same poverty-stricken residents it has given services because they cannot pay for them, writes **Sipho Khumalo**

Yesterday's heroes, today's villains ...



■ eThekwini residents, threatened with eviction for failing to pay rates, protest outside the Durban High Court

3.5 million additional people to the electricity grid, figures which were contained in the state of the nation address by President Thabo Mbeki during the same month.

However, with ever-increasing disconnections, it is not clear how these figures still reflect the true picture of the situation in the country.

While it is low-income African households that bear the brunt of these service cut-offs, lower middle-income families are also being affected, with the highest proportion of cut-offs (within an income bracket) taking place in households that earn between R2 001 and R3 000 a month.

The report also reviews public attitudes towards "free services" for water and electricity and the use of "block tariffs". It reflects a widespread support for the "free services" as long as services are being provided to low-income families.

However, this support comes mainly from low-income (and black) respondents themselves.

The culture of violent resistance to paying for services which swept through the country in the 1980s – epitomised by the Asinamali cry (We have no money) coined in the Durban township of Lamontville – seems to be increasingly creeping back, threatening to undermine the new government's policy of providing services to the previously disadvantaged.

Interestingly, as if to fuel this new spirit of resistance to paying for services, Mbongeni Ngema's play *Asinamali* has just been re-staged in Johannesburg, the very scene where pitched battles are being fought between the new class of bureaucrats and new foot soldiers against disconnections.

respondents are much less likely to support a free services policy and are much less likely to be willing to pay extra taxes to subsidise the programme.

The report also examines the affordability of services, noting that these costs vary across the country and even within municipalities. This makes it impossible to identify a "typical" service bill, but averages could be drawn from the survey conducted in the same report. For those who have service infrastructure and receive regular bills, the average total cost a month for water, electricity, sewerage and refuse removal ranges from R224 to R400.

For 57% of the sample - which earns less than R1 000 per month - these figures present an enormous cost burden for low-income households.

In conclusion, the report suggests that the most important information drawn from this survey is that there is an urgent need to debunk the myth of a "culture of non-payment".

"If, as I have argued here, the ability to pay is more important than willingness to pay, then no amount of moralising or threatening is going to alleviate the payment crisis in the country. You cannot squeeze blood from a stone," McDonald says. He argues that essential services need to be made more affordable for poor households if the promise of service access for all is to be met. The other conclusion that flows from the issue of affordability, he argues, is the need for major debt relief for service arrears.

He warns that without some kind of reform, it is likely that the backlash to cost recovery will continue in SA.

While the new post-apartheid bureaucrats grapple with this vexing question of how to present a human face to the poor and the need to recover services costs, the anti-evictions and anti-cut-off brigades are mobilising and bracing themselves for a long drawn-out battle.

This outcome of this battle will certainly have a tremendous influence on how the embattled population will cast its vote in the 2004 elections.

But what is becoming more clear to the current crop of councillors and bureaucrats, who were yesterday's heroes but charged with tasks of recovering services costs, is that they are increasingly becoming today's villains.

Khumbulani Independent.co.za

factFILE

eThekweni Municipality

Outstanding debtors as of October 2001
R67 million
R151 million
R484 million
R702 million

Electricity:

Water:

Rates:

Total:

National disconnections

as of July 2001

Water cut-offs:

Electricity cut-offs:

Both:

People with

seized property:

Service expansion as

of February 2002

Access to clean water:

Connection to

electricity grid:

1.5 million

7 million people

3.5 million people

Closer to home in the eThekweni Unicity, the situation, if it is not worse, does not differ radically from other municipalities throughout the country.

Metro treasurer Krish Kumar, in his report to the council on outstanding debtors, observes that local authorities throughout the country are generally faced with a chronic increase in outstanding debt.

"This obviously impacts significantly on regular cash flow and has serious implications for future viability of such authorities.

"The question from various quarters, has justifiably been posed regarding the extent of the council's outstanding debt, whether the council has or will potentially be faced with a serious problem with debtor levels," says Kumar.

As of October last year, the city was owed R702 million for electricity, water and rates.

For electricity alone the bill was R67 million, for water R151 million and for rates it was R484 million.

There are no indications that the situation has improved significantly since then and this threatens the ability of the council to deliver services to the people.

A report titled *The Bell Tolls For Thee: Cost Recovery, Cut-offs, and the Affordability of Municipal Services in South Africa*, paints a frightening picture of massive water and electricity disconnections countrywide in middle- and lower-income households.

The study was conducted by Mr David McDonald, co-director of the Municipal Services Project, an educational initiative examining the restructuring of municipal services in southern Africa.

The statistics presented in McDonald's report are sobering as they offer a picture of post-apartheid service delivery that is at best plagued by affordability problems and overly aggressive bureaucrats bent on recovering costs.

At worst it projects a deep failure on the part of the government local and national - to ensure an affordable supply of essential services to all.

"That the government has not been closely monitoring and evaluating the scale and character of service cut-offs

and affordability is itself deeply concerning," observes McDonald.

His report also makes up a chapter in a forthcoming book edited by McDonald and Dr John Pape which will be published by the Human Sciences Research Council of South Africa in mid-2002. Tentatively entitled *Service (Un)delivery in South Africa: The Impacts of Cost Recovery on Basic Municipal Services*, the book includes a chapter on "The Theory and Practice of Cost Recovery," and contains six detailed case studies in various parts of the country.

This chapter is being released early because of its relevance to policy debates and the significance of the findings to the current developments on the ground in the country.

It comes at the time of mushrooming anti-eviction and anti-cut-off organisations around the country.

As we have seen in Mpumalanga (Hammarsdale), where residents fought against the installation of water meters, these protests have been accompanied by violent clashes with police and security personnel.

In Hammarsdale, angry residents vandalised municipal property, stopped city workers from installing new water meters, and demanded to pay a flat R10 rate for their water.

In many cases, community resistance has been met with bullets, teargas, arrests and serious injury.

Closer to home in the eThekweni Unicity, Mayor Obad Mlaba has had to embark on impromptu community roadshows to quell rising anger at water and electricity cuts in Umlazi and other townships.

The report, gleaned from a random and stratified sample of 2 530 people conducted in July 2001 is representative of the entire South African population.

older than 18 years. It offers the first-ever glimpse into the national experience of cost recovery and service cut-offs.

In examining the national experience with service cut-offs for non-payment of bills and arrears, it paints a shocking picture of nearly 10 million South Africans who have had their water cut off for non-payment of service bills.

The same number of people have experienced an electricity cut-off.

"More than two million people have been evicted from their homes for the same reason," says McDonald.

Estimated figures of disconnections are a depressing scenario, given that at the time of the first democratic elections in South Africa in 1994, the ANC estimated that 12 million South Africans did not have access to clean drinking water. The number of people who did not have adequate sanitation was put at 21 million in 1994. Since this time there have been major expansions of service infrastructure, particularly in the areas of water and electricity.

As of February 2002 the government claims to have provided seven million additional people with access to clean, running water and to have connected

PROTESTORS VOW TO BLOCK PRIVATISATION

Natal Mercury 17 April 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Natal Mercury*

Hundreds of Soweto protestors made fires on the steps of the Jeppe Magistrate court and burned their ANC membership cards as part of the anti-privatisation protests which gained momentum countrywide.

In a show of solidarity with 50 Soweto residents who were arrested last week after trashing the home of Johannesburg mayor Amos Masondo, protesters around the country gathered to oppose the government's privatisation programmes.

A picket was mounted outside the Magistrate's Court in Durban by the Concerned Citizen's Forum, an umbrella organisation leading the anti-privatisation campaign. Similar action was organised in other centres in the country.

The anti-privatisation campaign was sparked when the government started selling state utilities to private companies, at a profit. Many poor communities which cannot afford to pay for basic amenities fear they will have a bigger burden to bear if essential services are privatised.

Locally, residents in Bayview, Chatsworth who are refusing to pay service arrears have resisted evictions while residents in Mpumalanga took to the streets recently when the eThekweni council installed water metres in the townships.

According to research conducted by Queens University in Canada, 20 million South Africans have had their water and electricity cut off since pro-privatisation policies were introduced in SA.

More than 2 million have been evicted from their homes and more than 1.5 million have had their property seized.

Soweto protesters arrested for trashing Masondo's home were released in JHB yesterday. They were treated like heroes by the large crowd which came to cheer them. Former ANC councillor Trevor Ngwane was lifted shoulder high by supporters.

Ngwane, who was sacked by the ANC nearly 3 years ago for dissent, said his organisation, the SECC, was going to intensify its apartheid-era style boycott of services, including electricity.

He said the government was doing nothing to help the poor and needy.

"This is not a government for our people, it is the government for the rich, who get richer all the time", Ngwane said amid chants of "Viva" from the crowd.

Traffic had to be diverted as all roads around the court, a stone's throw from the JHB city centre, were sealed off by police. Hundreds of SAPS and JHB metro police were on standby.

Ngwane said the arrests had only served to intensify the struggle for free basic services. HE said we would be calling for a full boycott of services payment.

The protests would culminate at the WSSD to be held in JHB from August 26 to September 6.

Speaking about his arrest Ngwane said South Africa was back in the dark days of apartheid with detention without trial.

The 50 who were arrested will appear in court again on May 10.

Cape Times, March 27/02

INSIDE LABOUR

Double-digit wage increase is more about need than greed

If poverty alleviation is a national priority, then double-digit wage rises should be awarded this year, especially to the lowest-paid workers. That is the conclusion to be drawn from a plethora of statistical data released this month.

The annual Labour Research Service bargaining indicators report has once again highlighted the growing disparity between the rich and poor. Other surveys have underlined this and also reinforced the broad trade union contention that double-digit wage rises would be not only fair, but necessary and affordable.

Among these reports is the government-commissioned Masebeti (seSotho for work) survey, that revealed in telling detail the often desperate conditions in which most of the population lives. It also provided clear evi-

dence of the long-held labour movement view that the employed are the prime providers for the masses of unemployed.

Then there was the latest contribution from the Municipal Services Project, a joint venture of the University of the Witwatersrand and Queens University in Toronto, Canada. It underlined another broad, trade union contention - that millions of people are being denied basic services because they cannot pay.

The eight-month-long survey revealed that 10 million South Africans had been disconnected from piped water and electricity supplies for non-payment. Many of these people are what Cosatu general secretary Zwelinzima Vavi has called the working poor.

They are among the lowest-paid employees in the country and it is they who provide a vast, un-

official social security net. The working poor support a network of family members, of kith, kin and clan in what is, in effect, the largest poverty alleviation exercise in the country.

But those who provide most aid to the desperately poor often face a stark choice: food or light and water.

That they chose food is scarcely surprising

since the bulk - if not all - of the income of the lowest paid is needed to provide just the bare sustenance for a family. Which brings the question logically to the price of food, inflation data and the distribution of available resources.

Because poverty alleviation continues to be stressed in both political and business circles as a



TERRY BELL

priority, this should mean these issues should be addressed in the upcoming wage negotiations. But if history is any guide, the substance of the debates about what is fair, equitable and truly affordable, will be ignored.

The issue will probably be distilled down to the simplistic formula: in a tough economic climate, workers demand wage rises higher than inflation, employers offer less. The assumption will be that there exists a universal, uniform level of inflation that affects everyone equally.

This is demonstrably false. But it will almost certainly not be adequately questioned or analysed. Officially, the average cost of

living - inflation - has increased by 7.5 percent in the past year. However, most private sector economists estimate the increase to have been at least 1 percent higher.

But everyone agrees that the major contributor to this rise has been food prices, which make up 21 percent of the selection or basket of items that are used to calculate inflation, whether called CPI or CPIX. These consumer items include everything from cleaning agents to white goods such as refrigerators.

In fact, most of the items included in the inflation basket are outside the reach or ken of most of the poorest people in the country. For low-paid workers and their families, the constant major recurring cost is a narrow range of basic food.

The major item here is mealie meal, the staple carbohydrate

consumed by most of the working class from L'Agulhas to the Limpopo. Over the past year the price of this staple has risen by nearly 100 percent, making the increase in the cost of living for such people vastly greater than the official inflation rate.

The soaring cost of transport, the second-biggest item in the budgets of most of the working poor, has also severely hurt those who can least afford it. In contrast, the remuneration of company directors rose by an average of nearly 30 percent last year, with some being paid more than R10 million a year. The widest wage gap now recorded is 163:1.

Against this background, accusations of worker greed seem positively bizarre.

□ Terry Bell's column is normally published on Friday

SOUTH AFRICANS TOO POOR TO PAY FOR MUNICIPAL SERVICES

SABC News 19 March 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact SABC News

Television news coverage:

http://www.sabcnews.com/video_ram/0,1573,11798,00.ram

Most South African's are too poor to pay for basic municipal services. This is according to a national survey by the Municipal Services Project in conjunction with the Human Sciences Research Council (HSRC).

The report says that nearly 10 million people (almost a quarter of the country) have been cut off from water and electricity because they could not pay their bills. Two million people have been thrown out of their homes for the same reason. It has stirred high passion.

Last September ,the people of Tafelsig in Mitchells Plain, in the Western Cape, rose up in frustration as many could not afford to pay. The report says many families are forced to choose between paying their bills and buying food.

David McDonald, the Municipal Services Project co-director, says "People take their payments seriously, they have statements on file going back several years. This is not the behaviour of someone who does not care about paying for their services."

The report also finds that sanitation across the country is woefully inadequate.

http://www.sabcnews.com/south_africa/general/0,1009,30583,00.html

Thank you for making city safer and cleaner

I WISH to commend the Cape Town City Council and the Cape Town Partnership on their recent initiatives, which have resulted in a safer and cleaner CBD.

As a player in the travel forex industry, we are reliant on tourists for business. The positive changes to the CBD were reflected directly in the increase of revenue over the festive

season generated by the large number of tourists who visited our St George's Mall branch in the heart of the city.

There is no marketing tool as effective as word of mouth and so it is essential that we ensure a visitor's experience of the Mother City is safe and clean, and that we offer world-class infrastructure and service. I believe we are doing just that.

Numerous clients commented to us on how safe and secure they felt as they toured our beautiful city and that the police presence was key to that feeling.

These developments would not have been possible without the public and private-sector partnering to make Cape Town a world-class city and tourist spot. We are headquartered in the city centre and have been witness to the

inner city renewal and investment steadily pouring into the city; we are witness to vigorous construction on the foreshore, to the 75-camera surveillance network, the police patrolling on foot, the mounted patrols and the cleansing services working around the clock.

We therefore say thank you to the City of Cape Town, the municipal services, Cape Town Partnership,

Business Against Crime, the City Community Patrol Board, Cape Town Tourism, the Central City Improvement District, the South African Police Service and all other organisations working together to make Cape Town a world-class city, prime for growth, development and an influx of tourists.

K K COMBI
CAPE TOWN

Due process

I WOULD like to reply to Professor David McDonald's article of March 14.

In establishing the credibility of municipal service payment – the "municipal benefit" and "ability to pay" aspects have to be explored in the design of any tax system.

There is undoubtedly a need to address the economic upliftment of depressed areas but Professor McDonald's zeal overtakes rational perspective on the issue.

He should rather ascribe the failure of the property tax in SA to the absence of a credible property tax reform process and the lack of payment as a function of poorly conceived policies. Confusion, prejudice and failure are consequences of an extremely complex tax being addressed simplistically and treated as a political football.

The last and not too successful effort to introduce sanity was Cape Town's Steyn Commission of 1989.

Were Professor McDonald to research the historical, cultural and international context of the property tax the current position might be better explained.

The historical basis of this British colonial local government tax called rates and as applied to residential property, is "paying one's fair share". "Localness" and "local accountability" were precisely the justification for the property tax as distinct from the income tax (Layfield Commission 1973, UK).

"Local tax accountability" is the very principle currently expunged from the system – to be replaced by unicity taxes. Property can quickly change from being a rand hedge investment into a rating liability.

The proposed unicity property tax is a US-style property wealth tax concept, the broad sustainability of which has yet to be assessed. Ability to pay for services or to be taxed depends on income. Yet no data is forthcoming from our social engineers.

But "redistribution" is not the a priori function of the property tax (Bell and Bowman – US consultants to our government, 1998) although we concede the need and desirability in a SA context; this should be approached through the intelligent taxation of property.

But the Town Hall approach to rates and the political baggage has never allowed this complex tax proper and due process. Until the issues are openly and objectively addressed failure will endure and the poor will indeed suffer. The non-payment by businesses is invariably the result of fuzzy concepts and dispute.

ROBIN BOSOMWORTH
RATES ACTION GROUP (CHAIRMAN)

IT'S TIME TO DEBUNK THE URBAN MYTH OF SOUTH AFRICA'S CULTURE OF NON-PAYMENT

By David McDonald, *Cape Times* 14 March 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Cape Times*

Urban myths have a life of their own and are never easy to extinguish. One of the most durable of these in the new South Africa is the notion of a "culture of non-payment" - the idea that township dwellers do not pay for services like water and electricity because of the legacy of the anti-apartheid payment boycotts of the 1980s.

Many an indignant letter-to-the-editor from middle-class suburbanites laments this "culture of non-payment" and is generally followed by an impatient plea to get "those people" to pay their bills because "I'm tired of subsidizing them".

But it is not just the chattering classes that complain.

Governments at all levels make the same comments about non-payment and have developed ingenious campaigns to get township folk to pay up (e.g. the Masakhane campaign, lottery prizes for paying on time, etc.).

The problem with these perceptions is that they are not grounded in the reality of post-apartheid life. To be sure, there are some township residents who do not pay for their services because they feel they can get away with it, but the vast majority of payment defaults are a result of an inability to pay, not an unwillingness to pay.

In a report to be released next week by the Municipal Services Project it is shown that poverty is the most important factor when it comes to non-payment.

Moreover, most low-income households keep careful records of their service bills, know exactly how much they owe and are deeply concerned about how they are going to pay their current bills and arrears (with the latter being as high as R30,000). This is hardly the behaviour of a person steeped in a "culture of non-payment".

The same applies to Cape Town. Research here reveals a desperate situation where families are forced to choose

between paying their service bills and buying food. Some households simply do not use the water and electricity supplies they fought so hard to get connected to because they cannot afford to pay for them and do not want to accumulate arrears or have their services cut off.

And cut off they are. Thousands of low-income households have had their water and electricity disconnected for non-payment of bills in Cape Town since the end of apartheid. Close to 100,000 households have had their water cutoff alone between 1996 and 2001 - sometimes for months on end - with thousands more slated for disconnection.

People are being evicted from their homes, having their property re-possessed, and being threatened with expensive and time-consuming legal action - all because they cannot afford to pay for the essentials of life.

"Free services" may be having some impact on service affordability and disconnections, but there is no research to definitively argue the point either way as yet. What can be said is that the low volumes of water and electricity being offered for free make a minor difference to household budgets in township areas, while leaky infrastructure, continued disconnections, and non-delivery for households in arrears means that thousands still go without the benefits of the free services policy.

But here is the real irony of the situation. If there is a "culture of non-payment" in this country (and in this city) it is with middle- and upper-income households.

For decades, suburban households and industry enjoyed some of the most heavily subsidized and highest quality municipal services in the world. Per capita spending in these areas in the 1970s and 1980s exceeded that of most European countries. Much of this was done at the expense of black rates payers whose taxes and service payments went into subsidizing suburban infrastructure.

Suburbanites continue to benefit from a highly skewed distribution of municipal resources (a hidden subsidy in effect) while property rates continue to bias against township homeowners and tenants. Meanwhile, the largest single defaulters in the city are private businesses, accounting for a third of the R2.1 billion service debt that is outstanding to city council.

The new property valuation system will hopefully go some way

to addressing the need for a more equitable taxation system, along with new tariff structures and cross-subsidization mechanisms for water and other services. But if the letters-to-the-editor in this and other newspapers in the city are any indication of the resistance that the new property rates system will meet in middle- and upper-income neighbourhoods, even this form of revenue rationalization may fall short of meeting its equity objectives.

Well-to-do South Africans have never paid the full costs of municipal services in this country - economically, socially or environmentally. It seems odd, then, that they would be so adamant about having low-income families pay their own way.

The choice is an easy one. Either Cape Town can continue on its path of exclusion and tough medicine for those who cannot afford to buy their way into the new South Africa, or the citizens of this great city can start to share the wealth from which a truly sustainable form of governance can be built.

David McDonald is the co-director of the Municipal Services Project"

WATER FOR POOR

by Rusana Philander, *Metro Burger* 7 March 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Metro Burger*

"Water is the source of life and everyone has a right of access to a basic amount of potable water. It becomes a concern to me when people challenge this right on the basis that only those who can afford to pay for water should have access to it."

These were the words of the minister of water affairs and forestry, Mr Ronnie Kasrils, in a recent newspaper report.

According to a study by two Canadian academics, Mr David McDonald and Ms Laila Smith, water will soon be privatised.

"It is inevitable that those who can't afford to pay won't have any access to water. Private companies that are only interested in profits will take control of water services," Smith said. "Water cut-offs in areas on the Cape Flats have also increased dramatically. These are all signs of privatisation. As part of its broader shift towards the commercialisation of municipal services, the city of Cape Town is proposing to corporatise its water and sanitation services - as well as those of solid waste and electricity. Although different in some respects from privatisation and outsourcing, corporatisation shares many of the same operating principles and is often the first step towards the outright privatisation of a service."

In the two academic's reports "Privatising Cape Town, Service Delivery" and "Policy Reforms since 1996", the senior water manager is quoted as saying:

"Lyonnaise des Eaux has knocked on my door twice. These french water companies have become too powerful to resist. The take-over is inevitable."

SURVEYS SOUND THE ALARM ON MACROECONOMIC POLICY

by Terry Bell, *Business Report* 1 March 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Business Report*

Three new reports that have appeared in the past fortnight have given greater impetus to trade union demands for a complete rethink of government's macroeconomic orientation and for urgent action on poverty alleviation. Only one of the reports received any general publicity.

The first two provided careful analysis of privatisation in Cape Town and of the cholera outbreak in KwaZulu-Natal. Both were the result of surveys conducted by reputable researchers.

The third, the Mesebetsi Survey, was published on Tuesday with an accompanying press release from Cosatu. It provides the most up-to-date analysis available of the labour market and was commissioned in 1998 by the department of labour.

Produced by the Norwegian-based Fafo Institute for Applied Social Science, it involved about 10 000 household interviews. These were conducted between the end of 1999 and the beginning of 2000.

The report provides a snapshot of conditions at that time.

"But since then, conditions in the labour market have, if anything, worsened," said Cosatu spokesperson Moloto Mothapo.

However, only the report on privatisation in Cape Town received wide coverage. The 72-page Mesebetsi survey and the report on the cholera outbreak were virtually ignored outside of the trade union movement. Yet all make a considerable contribution to the debates around important issues and to an understanding of our society.

The Mesebetsi (seSotho for work) Labour Force Survey report states in its preface: "The need for reliable and updated labour market statistics has become critical for policymaking and monitoring in the new South Africa."

The same can be said for information about other, more

narrowly focussed, areas.

The activities of the department of water and forestry - covered in the report on the cholera outbreak - and of privatising local authority in Cape Town are also reflections of government's macroeconomic policies. Such policies, of course, have a direct bearing on the labour market and were grist for the Fafo mill.

The result has provided more ammunition for the unions in their battle to have the government drop its non-interventionist, liberal market policies. The report has confirmed most of the labour movement's assertions about the failure of Gear, the government's blueprint for growth.

"It is clear that the report flatly contradicts the claims of government ministers that the country's economic fundamentals are sound. Gear has clearly achieved none of its objectives," said Mothapo.

What the Fafo researchers discovered was that at least 32 per cent of the country's workforce is unemployed. If this calculation includes those workers who had given up looking for work for whatever reason, the unemployment level will be 45 percent.

South Africa's grossly skewed income and wealth distribution - a legacy of apartheid - is also highlighted.

The Fafo findings reveal that the poorest 50 percent of the population N about 22 million people - share just 10 percent of the national wealth. In contrast, the wealthiest 10 percent own half the country's riches.

One argument that the report does seem finally to lay to rest is that unionised workers constitute a privileged elite. All three trade union federations, and particularly those union affiliates organising low-paid workers, have long argued that workers provide an unofficial social security safety net for the desperately poor.

This appears borne out by the finding that 70 percent of the income of the unemployed comes from other household members who have jobs. In 2000 only 1 percent of households relied on payments from the unemployment insurance fund and 15 percent had any government pension income.

The social and human reality behind such bald statistics is

horrific and provides the major impetus for trade union demands for a basic income grant or for some other means of poverty alleviation. On this, all three union federations are agreed.

"One example of this reality is the eviction of many of the poorest of the poor from their reconstruction and development programme houses on the Cape Flats," said SA Municipal Workers' Union spokesperson Anna Weekes. The Mesebetsi survey, she added, highlighted the discriminatory treatment of rich and poor.

"The poor of the Flats owe R300 million and are being thrown out of their homes. The rich, in the form of businesses, owe R1.8 billion and no action is taken," she said.

In the face of steeply rising prices for basic foodstuff, more job losses and upward pressure on inflation, the unions feel the situation is becoming critical.

The general mood was summed up by Chez Milani, the general secretary of the Federation of Unions of SA: "Something has to be done - and quickly."

http://www.busrep.co.za/html/busrep/br_frame_decider.php?click_id=343&art_id=ct20020228191009167P36035&set_id=60

Old divisions still rule in our modern city

AFTER reading your front-page lead (Late Final, February 21), headlined "Municipal apartheid rules": a thought came to mind of an old saying: "The more things change, the more they stay the same". This is certainly the case for many of us who lived through the 1950s, 60s and 70s in South Africa.

The government has amended and scrapped hundreds of pieces of apartheid legislation over the past eight years and this has been a monumental task, taking up thousands of manhours in parliament.

It seems to me the beast will just not die. Today, several years after the abo-

lition of all these pieces of apartheid legislation, many of the distortions and dynamics, many of the microscopic seeds introduced by this vile system continue to perpetuate themselves in the other spheres of government and in all walks of life.

We will have to dig deep into the hundreds if not thousands of laws, by-laws, ordinances, regulations, you name it, to rid ourselves of this curse that still has such a profound effect on the daily lives of our people, especially the poor and uneducated.

Research carried out over two years by David McDonald of Queens Univer-

sity in Canada, and others, found that the heavily subsidised municipal services that white Capetonians enjoyed during the 1970s and 1980s were still being supplied.

According to the research, very little has been done since the days of apartheid to make service delivery in Cape Town more equitable. I think the same would apply if a study was conducted in most South African towns and cities. One just needs to walk through the formerly black and brown group areas to realise the gross inequities prevailing today.

One hundred times the resources are

available in many historically white suburbs as are available in black townships.

What is our municipality doing about it? Are the six municipalities of the unity continuing to control their little kingdoms? Have they conducted audits of their assets and resources? If not, when will they do so?

When can the brown and black people of this city expect to receive a fair share of these resources and assets?

The Durbanville-Khayelitsha comparison is disgraceful to say the least.

Rodney T Rhoda
Wynberg

Cape Argus 26 Feb 02

Cross-subsidisation needs watching

Argus - Feb. 26/82

I HAVE noted the reports in the Cape Argus of February 21 and 22 on the gross discrepancy between municipal spending in Durbanville and Khayelitsha.

Your reporter has failed to complete the picture because he has not compared the amounts raised in the two areas in rates and other fees imposed by the municipality.

When we had separate municipalities in what is now the Cape Town unitary, the income and expenditure of each area was readily determined, but there is apparently no way now to make this comparison.

One can accept that there should be a measure of cross-subsidisation, but I feel strongly that this is something that should be continuously monitored so that the process is transparent.

Once the necessary information is available, one can then discuss what limits should be placed on cross-subsidisation.

It would be unfair for the poor areas to be denied the benefits of the process. On the other hand, it would be unfair for the stronger areas to have no limits whatever on the extent to which their rates may be used to support other areas.

I raised this problem with two of our councillors and a municipal official

Side by side across the city's great divide



Kenridge Road: a walk on the wild side



Kenridge Road: a stroll down easy street

and all three made it clear that they have no intention of supporting such monitoring.

But until monitoring does happen, we will continue to experience accusations of unfairness without the benefit of essential facts.

This problem will become particularly relevant once the new rates structure is implemented on the basis of up-to-date valuations, which could conceivably double the rates assessment for many.

Paul N Malherbe
Constantia

KKK

WHAT articles such as this always fail to point out is that all the people living in Kenridge Road pay all their rates and taxes, whereas very few of the people who live in Khayelitsha pay

Improvement District meeting in my suburb where it was put to us that we would get adequate services (refuse removal and police in particular) only if we stumped up a 13% levy on rates to fund them.

In other words, pay for them again because the council is unable to provide them.

We were also told that only about 10% of what we pay in rates is actually spent on services in our area - the balance of 90% going to more needy areas.

What's going on here? I don't know who to believe now.

Rattled Ratepayer
Oranjezicht

KKK

WHAT a stupid article about different suburbs. You thankfully highlight the arrears in the two areas.

For your information, I live in a townhouse - 200m² plot - and pay:

- Rates - R220
- Refuse bin - R65
- Sewerage - R45
- Water - Extra, and I pay a levy for lawn cutting and watering.

Thus our area looks good. There is nothing for nothing.

B Blom
Bloubaerg

live in the Tygerberg are subsidising Khayelitsha to a very great extent and our suburbs do not have as high a quality of upkeep as we are used to.

This isn't a complaint, merely a factual comment.

Resident
Boston

KKK

THE CAPE Argus makes no comparison between the rates paid by residents in Durbanville and those in Khayelitsha. Is this why the report recommends even more of the taxpayers' money be spent on (more thorough?) independent research which yields the right answers? Will more expensive/correct reports produce a greater budget from lower rates revenue?

Recently I attended a Community

Die Burger
p. 4

VRIDAG 22 FEBRUARIE 2002

Gelyke diens bestaan g'n, lui verslag

THEUNS VAN DER WESTHUIZEN

KAAPSTAD. – Privatisering, met gepaardgaande kostestygings en personeelverliese, vat byna sluiwend pos in die diensesektor van die Kaapse stadsraad.

Terselfdertyd is daar sedert die dae van apartheid bitter min in die stad gedoen om gelyke dienslewering aan almal te verseker, volgens die bevindings van 'n twee jaar lange ondersoek na munisipale dienste.

In die ondersoek deur verskeie universiteite en vakbonde word kritiek uitgespreek op die manier waarop veral die ANC en die DA hulle byna blindelings tot privatisering verbind.

Samwu se Wes-Kaapse voorsitter, mnr. André Adams, het gistermiddag gesê hy hoop die stadsraad neem kennis van die bevindings.

Mev. Belinda Walker, onderburgemeester, het gesê die nuwe stadsraad het 'n verwronge bedeling geërf en stel nou die situasie met nuwe begrotings- en bestedingspatrone reg.

Gratis water en elektrisiteit word reeds in 'n vasgestelde hoeveelheid aan huishoudings verskaf. Daar is gebreke, maar ons probeer ongelykheid regstel.

Sy het gesê die bewerings oor privatisering is onwaar. Die stad ondersoek wel die uitgawes en winste van sekere dienste, en om dit te doen, moes hul bedrywighede van mekaar verskans word. Kruissubsidiëring vind egter nog plaas.

“Ons is bekommerd oor werkgeleenthede en daarom het ons nog nie oor privatisering besluit nie. As privatisering 'n beter diens kan lewer

sal ons dit doen, en as die vakbonde 'n beter diens kan lewer, moet hulle dit vir ons wys.”

Dr. David McDonald van die Kanadese Queen's University en projekleier van die ondersoek, het gesê daar is onder meer bevind:

- Bitter min is gedoen om gelyke dienste te skep. Wit Kapenaars kry nog dieselfde swaar gesubsidieerde dienste van die 1970' en 1980's. Die per capita besteding aan water en afvalverwydering verskil steeds op grond van ras. Daar word 100 keer meer in die historiese wit woonbuurte gedoen as in swart buurte. So byvoorbeeld word R194 per capita aan vuilnisverwydering in Durbanville bestee en net R57 in Khayelitsha.

- Die meeste munisipale senior en middelvlak bestuurders, sowel as stadsraadslede van die DA en die ANC, ondersteun privatisering in mindere of meerdere mate met 'n blinde ideologiese benadering om net koste te bespaar.

Senior bestuurders gee egter toe dat die “korporatisering” van water tot 'n tariefverhoging van tussen 30% en 50% kan lei.

McDonald het gesê privatisering kry al hoe meer vastrapplek in Kaapstad. Die stad het nie 'n program vir privatisering soos Johannesburg nie, maar dit vind plaas deur planne vir “korporatisering”, agentskap dienslewering en diensverskansing (“ringfencing”).

Wat die invordering van koste betref, is die watertoevoer na byna 100 000 huishoudings sedert 1996 in die Kaapse metropool afgesluit. Hiervan is 75 000 in 1999 en 2000 gedoen deur die rade van Tygerberg en Kaapstad, wat albei deur die ANC beheer is, luidens die verslag.

City services slammed for 'racial bias in resources'

BEN MACLENNAN
Sapa

MUNICIPAL services in Cape Town are still sharply skewed along race and class lines, according to a study released yesterday which also warned of shock increases in water charges.

Calling for a moratorium on "creeping privatisation" in the city, the study found the city's water management plans would lead to an increase in water rates by up to 50%, more cut-offs and to job losses.

Almost eight years after South Africa's transition to democracy, a report by the non-government Municipal Services Project says as many as 100 times the resources are available for each person in historically white suburbs as in black townships.

One of the authors of the report, David McDonald of Canada's Queens University, said the process was very difficult to undo.

"We're saying - get a better handle on things before you entrench the distribution of resources along apartheid lines," he told a media briefing.

Although most services in the city were still delivered by local government, there had been "creeping privatisation", and there were now major plans to expand this.

Privatisation was taking place in the city "in an unplanned and ad-hoc fashion without any real public debate or intensive research into alternatives", McDonald said.

There was a trend away from seeing services as a right, to seeing them as a financially sustainable business, a view which enjoyed widespread group support among city bureaucrats and managers.

McDonald said despite the lessons to the contrary from overseas experience, these managers showed "blind ideological faith" in the ability of the private sector to provide services better than the public sector.

In their approach to this issue, there was virtually nothing to distinguish the African National Congress from the Democratic Alliance.

The concept of a financial bottom line was pushing city managers and councillors to insist that they needed to recoup the cost of water and electricity.

This led to cutoffs, which meant 300 000 people went without water in Cape Town in 2000.

"It's not a culture of non-payment: it's that people simply cannot afford to pay for these services," McDonald said.

He said that if water distribution in the city was controlled as the city proposed, it could lead to price increases of up to 50% as cross-subsidisation to poorer households became almost impossible, to more cutoffs, and to job losses.

Corporatisation was often the first step to outright privatisation "and we can't discount that possibility".

The city could pursue alternatives to privatisation and challenge "miserly" intergovernmental transfers, which subsidise services.

SA Municipal Workers' Union spokesman André Adams, whose union sits on the steering committee of the Municipal Services Project, said he found the results of the survey "shocking".

He said the research could help open up debate and lead the city to review decisions.

Adams said if the city stuck to its guns on corporatisation, the union would go on strike. - Sapa

JOB LOSSES AND TARIFF RISES FEARED IN CITY'S 'STEALTHY' PRIVATISATION

by Elliott Sylvester, *Cape Argus* 22 February 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Cape Argus*

The city of Cape Town is "quietly" privatising basic services without consultation, which means job losses and a likely drastic rise in water and service bills, the SA Municipal Workers Union warns.

André Adams, the union's Western Cape chairman, said the city was disguising plans to privatise services by calling its actions "corporatisation" and "ring-fencing".

Adams was speaking at the launch of a new report that claims the city is forging ahead with plans to privatise basic services without any consultation.

The report is a two-year municipal services project study of the privatisation of water, waste and electricity in Cape Town.

Samwu, which formed part of the research group, now fears its members will suffer the huge job cuts which usually accompany privatisation.

The research was based on extensive interviews with senior city managers and politicians, as well as data from policy documents and an evaluation of council activities since the first democratic election in 1994.

The survey was a joint venture by the University of the Witwatersrand, Queen's University in Canada, the International Labour Resource and Information Group, Samwu and its Canadian counterpart, the Canadian Union of Public Employees.

Backing up Adams's claims was David McDonald from Queens University, who co-ordinated the research.

McDonald said the city had advanced plans to corporatise the supply of water, electricity and refuse removal.

This was the first step to privatisation, which was on the cards for early next year.

"There has been no consultation around this process. The city claims the law is on its side. They are a group of bureaucrats sitting behind closed doors making decisions. We are moving from a situation of services as a right to services as a business."

The research says that there is overwhelming support for private-sector principles across the political spectrum in the council.

It charges that:

Senior managers admitted that "corporatisation" of water could lead to price increases of 30% to 50%, according to Arthur Clayton, executive director of the water and sanitation department of the former Cape Metropolitan Council.

The city is likely to be left with a shortfall of R100 million a year in the water sector through "corporatisation".

This would increase the burden on taxpayers.

Water cut-offs for non-payment of bills will have to be increased in a bid to reduce the operating deficit, raising the spectre of increased violence, public health epidemics, worsening divisions, and an increase in non-payment of rates as a form of political protest.

Deputy mayor Belinda Walker said the report on privatisation was unfounded and "wrong on many ` points".

"We inherited an old system where water and waste were dealt with by the council. In water and solid waste, we don't know if we are making or losing money. This is why we first ring-fenced them, to compare expenses and income."

FLUSH TOILETS FOR RICH, BUCKETS FOR POOR - INEQUITIES REMAIN IN POST-APARTHEID CITY

by Anna Weekes, *Gemini News*, 22 February 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Gemini News*

South Africa has emerged from the shadow of apartheid in the past decade, but some areas are still fighting discrepancies between black and white, rich and poor. Now a new report shows that those in poor townships around greater Cape Town are not getting the same service as their white neighbours. A Gemini News Service correspondent reports.

Cape Town's city administration still spends up to 10 times more on some municipal services for white areas than in black neighbourhoods - seven years into the democratic new South Africa.

That's the latest finding by the Municipal Services Project, a joint effort by Canada's Queens University and South Africa's University of Witwatersrand.

"Very little has been done since the days of apartheid to make service delivery in Cape Town more equitable," says project director David McDonald, a Canadian researcher. "The heavily subsidised municipal services white Capetonians received in the 1970s and '80s are still on track."

The Municipal Services Project released a report on 21 February highlighting inequities in greater Cape Town's municipal services.

This exposé has been greeted with anger by the city's poor communities. They have been hard hit over the past year by rising water prices, electricity and water cut-offs, and evictions. Hundreds of families have been evicted in Cape Town in the past year, mostly for outstanding water bills sometimes as low as 100 rand (\$8.75). There were almost 65,000 water cut-offs. The evictions have spawned the growth of residents' movements and crisis communities in virtually all of Cape Town's poor neighbourhoods. These organisations now plan a mass march on city administration offices on 20 March.

The report reveals that the waste depot in Cape Town's affluent suburb Durbanville receives almost 8.2 million rand (\$716,000) per year to service 36,000 mainly white residents. On the other hand, the city spends R164 (\$14.30) per person on waste removal in the nearby black Khayelitsha township - South Africa's second fastest-growing township.

Khayelitsha residents say it is common to find dead dogs lying in the street for days and not being removed by waste removal services - something unheard of in Durbanville.

The report also revealed that capital expenditure on water in Durbanville was R100 per person per year, while spending for Khayelitsha's 450,000 residents is not even a penny a year per head.

There is also a growing electricity crisis in the township, with many poor residents forced to make illegal connections to get electricity.

"Most people who use electricity are unemployed," Thandoxolo Gwam of the anti-privatisation group Youth for Work said. "How they are going to get this money to pay for increased electricity prices? This attack is a result of outsourcing municipal services. Some residents see this as punishment if you are poor you cannot have electricity, water and housing."

Greater Cape Town spokeswoman Cathrine Wilson says it's an unfair comparison.

"There are lots of projects going on in Khayelitsha and a lot of money is being spent," she said. "Because Durbanville has fewer people, more money obviously goes further."

Caroline Nongauza of the Tambo Square Concerned Residents Movement is also disillusioned by revelations that Cape Town continues spending more money on services to white areas while there is not even one flushing toilet in her community.

"I have been staying in this area for 13 years, but there is no improvement whatsoever," she said. "There are four taps of water for thousands of people. I have to walk 15 minutes from my shack to the tap. Imagine when I have to do the washing for my family or when I am not feeling well."

"We are still using the bucket system of toilets, which is disgusting. Our children are always sick as a result."

"We are a community without electricity and no hope for

houses."

Cape Town seems set to continue this trend. In February, a city proposal to give the city's rugby and cricket unions tax rebates has drawn flak from the Anti-Eviction Campaign lobby group.

"These facilities are still mainly dominated by whites and are not accessible to poor communities," campaign chairman Faizel Brown said. "Why should they get a rebate while poor and sick families are disconnected from their services as soon as their payments lapse?"

Elroy Paulus, budget analyst from the University of the Western Cape's School of Government, said Cape Town and other large South African cities, called 'unicities', lacked the political will to address service backlogs created by apartheid.

"The unities also do not get sufficient funding from central government to extend services adequately, which leads decision-makers to make service delivery decisions based on principles that make good business sense rather than aiming to progressively realise human rights as required by our Constitution," he said.

Paulus said it was easier for decision-makers to spend the lion's share of the budget on maintaining already good services in White areas, instead of investing in Black townships.

Since apartheid ended, parts of Cape Town have been under control of the ruling African National Congress (ANC), while other parts have been controlled by the traditionally white parties, the New National Party (NNP) and the Democratic Party (DP). When NNP and DP formed the Democratic Alliance, they soon won control of the amalgamated Unicity - making this the only city not controlled by the ANC. They fired all ANC-allied members of the executive management team of the former Cape Town City Council. A year later the Democratic Alliance fell apart and the NNP allied with the ANC.

Yet, as McDonald notes, "there has been no discernable shift in policy orientation by any of the major political parties or within the civil service."

This has angered communities who say they are tired of false promises. Many communities have not seen their councillors since the December 2000 elections. In early February the community of Umasonwabwe, located alongside the busy

highway linking Cape Town International Airport to the city, blockaded the route to protest poverty.

"We want a better living for all," said one protestor, who complained that their councillor is never around.

This may prove the undoing of all political parties. Ishmail Petersen, a community representative from the poor Cape Town township of Tafelsig, has already said his community wants to stand independent, anti-privatisation candidates in the next election.

McDonald says poor communities may force a rethink of privatisation policies.

"The aggressive forced removals and cutting off of water supplies to poor families have created a considerable groundswell of support for oppositional politics," he said.

Wilson responds by saying "We have to promote an ethos of paying for services."

But Cape Town's continued policies such as turning off the taps on non-paying customers, warns McDonald, could only spell bigger troubles down the pipeline.

"This raises the spectre of increased violence, public health epidemics, worsening race, class and gender divisions, and an increase in non-payment rates as a form of political protest, potentially undermining any cost saving that may have been generated."

About the author ANNA WEEKES is a writer and an employee of South African Municipal Workers' Union.

APARTHEID STILL RULES CAPE TOWN'S SERVICES, REPORT

SABC News, 22 February 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact SABC News

Municipal services in the tourist resort of Cape Town remain skewed along class and race lines almost eight years after the eradication of apartheid in South Africa, a report released yesterday found. David McDonald, one of the authors of the report from Canada's Queens University, called for a moratorium on privatisation, saying the city needed to be careful not to "entrench the distribution of resources along apartheid lines." The Cape Town council was swift to deny the findings of the researchers from the University of the Witwatersrand and Canada's Queens University.

McDonald has criticised a lack of public debate on service delivery policy in Cape Town. "We need to have critical debate if we're going to move forward in the city on equitable and sustainable service delivery," McDonald was quoted as saying. Although most services in the city were still delivered by local government, there had been "creeping privatisation."

Kylie Dawn Hatton, a spokesperson for deputy mayor Belinda Walker, says this perception is incorrect. She says at present each of the city's 660 000 households get 6000 litres of water free every month, a facility available even to those who have had the rest of their supply cut off for non-payment. Households also enjoy 20-kilowatt hours of free electricity, made possible through cross subsidisation and stepped tariffs.

"We are looking after people who are unable to pay," Hatton says. "The city has a compassionate indigent and arrears policy." She also says the city was obliged by law to explore all options for service delivery, and that it was doing its best to avoid an adversarial relationship with unions.

http://www.sabcnews.co.za/south_africa/general/0,1009,28812,00.html

CAPE ARGUS

February 21, 2002

Municipal apartheid rules

ELLIOTT SYLVESTER
METRO REPORTER

EIGHT YEARS after the first democratic elections, a study has found that the City of Cape Town still spends at least 10 times more on services in formerly white areas than it does in townships.

A two-year municipal services project study on the privatisation of water, waste and electricity in Cape Town has found that the inequalities and divisions of apartheid remain a reality for the poor.

The report also revealed strong, behind-the-scenes moves to privatise basic services, likely to push up the cost of water by a shocking 50% and lead to heavy job losses.

Comparing a waste depot in Durbanville to one in Khayelitsha, for example, the survey

found that the Durbanville depot received 10 times as much money to upgrade and or expand service facilities.

This was despite the fact that the Durbanville depot serviced 36 000 people, while Khayelitsha's coped with 450 000 residents. A total of R194 a year was spent on waste services for a Durbanville resident, compared to only R57 for a Khayelitsha resident.

There are less than half the number of workers servicing Khayelitsha than Durbanville.

The survey was a joint venture by the University of the Witwatersrand, Queen's University in Canada, the International Labour Resource and Information Group, the SA Municipal Workers' Union and its Canadian counterparts, the Canadian Union of Public Employees.

The research was based on extensive interviews with senior city managers and politicians, surveys conducted in more than 50 depots, and a review of policy documents, political party position papers and an evaluation of council activities since the first democratic elections in 1996.

According to research, "very little has been done since the days of apartheid to make service delivery in Cape Town more equitable."

David McDonald of Queens University said the heavily subsidised municipal services white Capetonians had in the 1970s and 1980s were still supplied.

A survey of each of the 13 water and 33 waste depots revealed that per capita distribution of public resources for water delivery and waste management was seriously

skewed along race and class lines.

McDonald said: "One hundred times the resources are available in many historically white suburbs as are available in black townships."

He said the city had conducted no audits of its resources and their distribution throughout the metropole since the end of apartheid.

"It is impossible to equitably divide resources if you don't know what you have," he said.

André Adams, Western Cape chairman of the SA Municipal Workers' Union, said the inequalities were glaring and the union would be taking the findings to the council.

"This shows that there is a need for independent research despite the plethora of private consultants the city has hired at great expense to the taxpayer."

Comparison of resources in water depots in Khayelitsha and Durbanville

	KHAYELITSHA DEPOT	DURBANVILLE DEPOT
Population serviced	450 000	45 000
Operating expenses in last fiscal year	R11.56	R86.67
Cumulative operating expenses since 1996	R28.89	R177.78
Capital expenses in last fiscal year	R0.67	R100
Value of office supplies and equipment in stock	R0.44	R1.78
Number of residents per piece of heavy equipment	28 125	4 500
Number of residents per manager/supervisor	56 250	9 000
Number of residents per labourer	90 000	2 368
Average monthly consumption per person	4.0kl	13.8kl

GRAPHIC: BOB GREYSON

SOUTH AFRICA THE NEW APARTHEID?

by Bryan Rostron, *Mail & Guardian*, 21 February 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Mail & Guardian*

Despite vociferous complaints from business leaders that privatisation proceeds at a snail's pace, it is remarkable how much of daily life here is effectively privatised.

You see it in the implausible spider-webs of electricity lines that criss-cross the dusty, impoverished streets of Khayelitsha, where one legal connection illicitly supplies perhaps a dozen other households. In affluent suburbs, private security cars patrol round the clock, replacing an under-funded, demoralised police force. In townships, desperate citizens also increasingly resort to privatised justice vigilante lynchings and executions.

And while it is true that there has been little outright formal privatisation, there has been a great deal of variants on the theme, from "restructuring" and "corporatisation" to public-private partnerships. This creeping privatisation has occurred mostly - and most controversially - in the provision of public services, such as water and electricity.

This municipal drive for profitability has led to a massive social crisis.

Last year in Soweto up to 20 000 homes a month were having their electricity disconnected for non-payment. Since 1999, in Cape Town, more than 100 000 households have had water cut off. This makes a mockery of the government's promises to supply a basic minimum of free water and electricity increasingly, the very poor are simply being disconnected.

Privatisation, for the very poor, threatens to become the new apartheid an instrument of exclusion, not just from a better life, but even the very basics.

Poor communities are beginning to organise themselves to fight back. One prominent academic describes these township groups as "Robin Hood organisations". In Soweto moonlighting electricians immediately illegally reconnect cut-off families to the grid. On the Cape Flats there have been riots over water

disconnections.

Privatisation may yet provoke the most explosive political threat, post-1994 grassroots movements, ironically reminiscent of the anti-apartheid "civics", organising to defend the same people against the ravages of a profit-driven democracy.

It is just such an irony that led to the devastating outbreak of cholera in KwaZulu-Natal. Eighteen months ago the provincial government began charging rural residents for water that had previously been free. Thousands of households could not afford the R51 connection fee and provision charges, so instead began using river water. Within weeks cholera broke out. To date this has caused more than 250 deaths.

While the African National Congress can claim great credit for providing new services to the previously disenfranchised - three million households with clean drinking water, two and a half million connected to the national power grid - these very gains are now under threat by privatisation in all its forms.

For example, Telkom (already 30% privately owned) recently admitted that of 621 219 new telephones installed last year, more than a third were later disconnected. Telkom claims that it is permitted to include these terminations as part of its overall growth.

"This emphasis on cost recovery, with services being outsourced, means not only job losses, but disconnections of basic services and eviction of people from their homes," says Trevor Ngwane, a former ANC municipal councillor, now of the Soweto Electricity Crisis Committee.

"This neo-liberal economic approach carries a high price. The ANC is rapidly losing support. Their saving grace is that for now there is no alternative.

"But all these volunteer groups around the country, formed to fight against service cuts, are beginning to get together and unite. The mood in poor areas, frankly, is angry.

"People are saying that the ANC is like those migrant workers of the old apartheid days who had to leave their homes to go and work in the city, where they were dazzled by the bright lights, often found a new woman ... and simply forgot their rural family."

The ANC is keen to be seen to follow Washcon (Washington

Consensus) economic policies. There is a hefty push from Western governments as well as institutions like the World Bank to "liberalise" the economy.

"The pressure," says the civil servant in charge of privatisation for another, poorer southern African country, "is intense".

But with communist and union allies part of his government, President Thabo Mbeki has had to perform a delicate tightrope act. With the same pragmatism (or sense of humour) that saw Mbeki appoint a pacifist as deputy defence minister, the president has ensured that ministers most responsible for privatisation are senior members of the South African Communist Party, including Jeff Radebe, who as Minister of Public Enterprises, is effectively minister for privatisation.

These communist ministers have led the assault on union strikes and left-wing objections to privatisation with tirades about "counter-revolutionaries", "ultra-leftists", "playing to right-wing agendas" and "plots". Jeff Radebe even described the grassroots Soweto Electricity Crisis Committee as "gangs of criminals" that must be dealt with.

Privatisation here, it seems, may be driven through by Stalinist rhetoric.

The most notorious privatisation involves the British company Biwater.

In 1999 Biwater was granted a 30-year contract for water provision in Nelspruit. The company has been dogged by controversy ever since. Last month Biwater was slammed by a visiting delegation from the British public sector trade union, Unison.

Biwater has been accused of huge tariff hikes, up to 100%, and dwindling services, with water available only a few hours a day in some areas. The Unison delegation expressed deep shock at the misery caused by the dismal water provision they witnessed in poor satellite townships around Nelspruit.

At the Clau-Clau health clinic they found no water at all. At Zwelitsha, nurse Mamsy Masuku said that while her clinic had water, the surrounding community had been cut off for four days.

"There is constant pressure on people to store water in whatever containers they can find," Mamsy Masuku told the visiting trade unionists. "It is common to find an entire family

living off 10 litres of water over one or two days." Masuku also reported an increase in diseases like diarrhoea since the privatisation of water.

The World Bank in particular has lobbied hard for the participation of private companies in water provision. Yet the Unison delegation said they found little evidence of satisfactory health and safety regulations employed by privatised water companies here, and claimed that the water cut-offs would be illegal in Britain.

It is also a commonplace that privatised companies the world over are likely to pay more attention, and devote more resources, to wealthy areas - which, in South Africa, still often means white areas.

In changing its policy to one of privatisation, the ANC decided against a "big bang" approach in favour of "managed liberalisation". But so far the government's hesitant approach has led many businessmen to throw up their hands in frustration.

"The tragedy here is that there's been a lot promised, little delivered," says the disillusioned British representative of a major multinational asset management company. "Investors who would have been interested a year ago have simply lost heart and are now looking elsewhere. The impression is that the government is dragging its feet, so the market will simply let South Africa drop off the potential investment radar screen."

Proponents of privatisation claim it is the only way to attract foreign investment, spread wealth, create employment and encourage "black economic empowerment". This view simply ignores the fact that the majority of South Africans live outside the formal economy, and become increasingly marginalised by the pure drive for profit.

"What we are seeing now is a class apartheid," says Patrick Bond of the Graduate School of Public and Development Management at Wits. Bond is also codirector of the Municipal Services Project, which examines the restructuring of municipal services. He points out that an estimated 85% of the rural population and 31% of the urban population are without adequate sewerage or sanitation.

"The problem with privatisation is that there is no connection between the 'public good' and 'economic good', hence there are promises of free water and electricity, but it is only

available to those connected to the grid - and whole areas of poor townships are being cut off," says Bond. "We are also seeing forced evictions and removals.

"These communities have no services and no connections. This means, effectively, that such places become low-income ghettos for ever. The logic of the private city is one of fragmentation. This is creating a form of geographical apartheid."

The push to join planet privatisation, however hesitant, carries a high price - and could yet prove the flashpoint for a new, volatile social upheaval in South Africa.

THE POLITICS OF CHOLERA

by Edward Cottle and Hamed Deedat, *Mail and Guardian*, 15 February 2002

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Mail and Guardian*

South Africa's water and sanitation policy fails to stem the tide of infection

The death of 260 people and the infection of about 150 000 others in South Africa makes the current cholera epidemic the worst in the history of the country. The prevalence of the water-borne disease, however, is specifically indicative of a serious failure of the government's policy on water and sanitation provision.

From the onset South Africa's post-apartheid water and sanitation policy and legislation was tied to a World Bank notion of cost recovery for services. This in a context where more than 78% of the water resources of the country were being [ab]used by industry and commercial agriculture, and rural people only consumed 1% of the 12% allocated to domestic consumption.

Instead of recovering the cost through subsidisation from those who profit from the use of water, the government chose to implement a reconstruction and development programme without the promised redistribution. We witnessed an austerity programme that, for example, saw the water and sanitation budget cut by R500-million in 1998.

This austerity approach also required tedious campaigns to ensure community "buy-in", which only delayed project implementation and consequently, but not surprisingly, about two-thirds of all projects in the country proved unsustainable.

In KwaZulu-Natal we saw the suspension of 20 projects at the time due to budget cuts. Indeed, the water project for the Madlebe Tribal Authority, situated adjacent to the wealthy Ngwelezane/ Empangeni Transitional Local Council - the official point at which the epidemic was noted - was delayed by several months.

The Minister of Water Affairs and Forestry, Ronnie Kasrils, himself admitted that cost recovery had exacerbated the

cholera epidemic as supply to people who could not afford to pay for services was cut, forcing them to seek alternative sources of water. The sources they found were contaminated with cholera.

Yet the Ngwelezane/Empangeni council, which cut the 17-year-old apartheid free-water supply through communal taps to the Madlebe areas adjacent to the Ngwelezane township, had a reserve of R98-million at the time, which Inkatha Freedom Party mayor Danny Moffat described as "a situation any business would be proud of". While communities had to pay for cost recovery, this very same council offered various tax concessions to business for investing in the area.

Another and more striking revelation about the cholera outbreak has been the silence from government officials on the problems of sewage treatment at rural hospitals.

Research done between 1998 and early 1999 implicated at least two rural hospitals bordering Mozambique, which tested positively for cholera and were discharging effluent into streams, affecting the health of communities using these streams for domestic purposes.

The research also showed that rural hospital sewage works were in serious need of repair and maintenance and lacked the necessary chemicals for chlorination. Yet, the outbreak of cholera in the country in August 2000 was blamed upon a possible importation of the disease from neighbouring Mozambique.

The current attempt by the government to contain and prevent the spread of cholera has been taking place over the past 18 months. While the low fatality rate has been acclaimed as a sign of First-World intervention, there is still a serious problem with the preventative measures taken.

There has to be a fundamental change in water and sanitation policy that scraps the cost- recovery principle. As long as cost recovery exists the poor will seek alternative sources of water for domestic consumption.

Rural people in the newly formed Mhlatuze district municipality are still paying for water even though authorities are fully aware of the high unemployment within the area. The free-water policy of the government is benefiting the middle-class and the rich of Empangeni and Richards Bay, while the traditional black areas, such as Madlebe and Ngwelezane township, are paying water tariffs of up to 400% more than

those of their white counterparts.

The extreme system of cost recovery is reinforcing the dualism of the past. The deepening of social inequalities, privatisation of health services and cost recovery will compel the poor into desperate measures for survival. Cholera and other water-borne diseases will continue to haunt South Africa for a long time to come.

Edward Cottle is the director of the Rural Development Services Network and Hamed Deedat is a researcher at the International Labour Resource and Information Group. This article is drawn from extracts from a research report on the cholera outbreak, which will be released later this month.

SERIOUSNESS OF SERVICE CRISIS NOT UNDERSTOOD

by David McDonald, *Business Day*, 11 December 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact [Business Day](#)

The word "crisis" is not one to be used lightly. It signals dramatic change for the worse and suggests the possibility of a rupture in the social and economic fabric of society.

It was only after careful consideration, therefore, that a recent research report by the Municipal Services Project was entitled *The Electricity Crisis in Soweto*.

There should be no doubt about the seriousness of the matter. At the time that we were conducting our research early this year, up to 20000 homes a month in Soweto were having their electricity cut off for nonpayment.

At one point Eskom threatened to cut off a total of 131000 homes in Soweto.

This is despite the fact that only 126000 households were registered Eskom clients.

Pensioners, single mothers and poor working families regardless of their ability to pay were cut off with little or no warning while some households have had their electricity infrastructure removed entirely for allegedly having illegally reconnected to the electricity grid.

And it is not just Soweto where this crisis exists. Nor is electricity the only service affected.

In Cape Town more than 100000 poor households have had their water cut off since 1999 for nonpayment of water bills.

But rather than acknowledging the problem, or trying to understand why it is happening, some observers have chosen to pretend it does not exist.

Others even attempt to discredit those who try to bring the issue to the attention of policy makers.

Simon Barber's opinion piece (*Business Day* November 28), is

a case in point on both accounts.

Annoyed with a recent front page article in the American newspaper The Washington Post which described the electricity situation in Soweto as a crisis Barber argued simply that the journalist was misinformed.

The source of this misinformation, he said, was the Municipal Services Project, which "turns out to be an effort to foment opposition to ANC (African National Congress) policy from the left", Barber wrote.

Not an inkling of acknowledgement of the electricity problems in Soweto and nothing but incriminating innuendo against the Municipal Services Project.

Had Barber seen and read our research report, perhaps his comments would have been more measured.

But for observers like this it is apparently better to hide one's head in the sand and hope that the bad news goes away. In addition, the fact that the story has since been taken up overseas by CNN, Special Assignment and other popular and widely read media is also ignored.

Unfortunately, Barber is not alone in this regard, with no less an authority than Public Enterprises Minister Jeff Radebe calling members of the Soweto Electricity Crisis Committee (the group that first brought the situation to public attention) "gangs of criminals" who must be dealt with.

But if the debate is to be constructive we need thoughtful, informed opinion, not vitriolic reaction.

The Municipal Services Project does not claim to have a monopoly on information about service cut-offs in Soweto or elsewhere.

We simply offer our work as a contribution to a better understanding of the scale and the character of the problem. To this end we are conducting a series of case studies on the effects of cut-offs and cost recovery in different parts of the country and have recently completed a national opinion survey on the matter, all of which will be published as a book next year.

McDonald is co-director of the Municipal Services Project.

NARROWLY FOCUSED STORY DID SA'S GOVERNMENT NO JUSTICE

***Business Day* 28 November 2001**

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Business Day*

Given the chance recently to speak their minds to President George Bush's right-hand men, altogether too many African finance and trade ministers complained about their continent's coverage in the US media.

This was an embarrassing waste of breath. It betrayed the speakers as scapegoaters not to mention frighteningly ill-informed if they thought a US administration could tell journalists what to write.

Nonetheless, and unhappily for the health of the fourth estate in Africa, the ministers' frustrations were not entirely groundless. Consider an article that appeared on the front page of the Washington Post on November 6, under the headline For SA's poor, a new power struggle.

The piece depicted an SA on the brink of a new popular revolt, this time against "the injustices unleashed on this developing nation by the free-market economic policies" of the African National Congress (ANC) government.

"Materially," wrote the Post's Jon Jeter in what was presented as objective news reporting, not opinion, "life here has only gotten worse since 1994"; so "churches, labour unions, community activists and the poor in all black townships are dusting off the protest machinery that was the engine of the liberation struggle".

The writer had plenty of space three times the length of this column to back this assertion with input from all the forces he averred were rising again. In the event, and as much as he tried to leave a different impression, his quoted sources were synoptic.

The story's focus was a Soweto household, said to comprise 28 people squashed into a five-room house plus garden shed, which was reportedly burning furniture to stay warm because Eskom had cut off the electricity for nonpayment of arrears.

The Post's readers were asked to conclude SA was not a place to which sane outsiders should entrust their confidence, or capital.

On whose say-so? A number of individuals were brought forward to testify. All but one, an Eskom spokesman not permitted to give a full explanation, had ties to the Soweto Electrical Crisis Committee which believes Eskom is gouging the poor while coddling industrial users and the rich.

After quoting several individuals associated with the committee, the writer artfully turned to Patrick Bond, "a business professor at the University of the Witwatersrand and co-director of the Municipal Services Project", for what the innocent reader would take as an outside assessment.

And guess what? Bond fully endorsed the committee. What the Post man failed to tell his readers was that Bond, a Belfastborn and US-educated political scientist, is a major-league antiglobalisation activist and media manipulator. He acts as mentor to committee chairman Trevor Ngwane, whom he accompanied to last year's street theatre against the IMF and World Bank.

The average reader was not to know, but an internet search quickly established Ngwane's and Bond's views informed the Post reporter's entire analysis.

Ngwane did get a mention, in passing, as "a former ANC municipal council member", but neither his ousting by the ANC nor his rejection by the voters last December were deemed relevant.

Nor was the fact that several other committee activists Jeter quoted show up separately as researchers for Bond's Municipal Services Project, which turns out to be an effort to foment opposition to ANC policy from the left.

To work for a newspaper like the Washington Post in SA is to have the time and space to report with care and nuance. So it is a pity the writer in this case could not offer a range of perspectives even maybe from elected representatives of those claiming to be burning their furniture before hinting unrest was imminent.

This kind of reporting feeds ignorant stereotypes about SA and thereby contributes to the poverty the writer no doubt has witnessed. It also contributes to the antipathy many African elites feel towards the media.

How should government respond? Have the embassy make some effort to challenge the impression his work is creating. A letter to the editor. An opinion editorial piece signed by the ambassador. Too many tendentious, negative stories about SA have been allowed to stand.

It does not help that when Nelson Mandela, SA's single most respected figure, comes to the US, he rarely speaks for his country any more. Most recently, he has been lending his credibility to defending the corrupt royal house of Saud against the US media. Why can't he do the same for his own country, which actually deserves it?

This kind of reporting feeds ignorant stereotypes about SA ... and it also contributes to the antipathy African elites feel towards the media

The Washington Post

TUESDAY, NOVEMBER 6, 2001

For South Africa's Poor, a New Power Struggle

By JON JETER
Washington Post Foreign Service

SOWETO, South Africa—When she could no longer bear the darkness or the cold that settles into her arthritic knees or the thought of sacrificing another piece of furniture for firewood, Agnes Mohapi cursed the powers that had cut off her electricity. Then she summoned a neighborhood service to illegally reconnect it.

Soon, bootleg technicians from the Soweto Electricity Crisis Committee (SECC) arrived in pairs at the intersection of Maseka and Moema streets. Asking for nothing in return, they used pliers, a penknife and a snip here and a splice there to return light to the dusty, treeless corner.

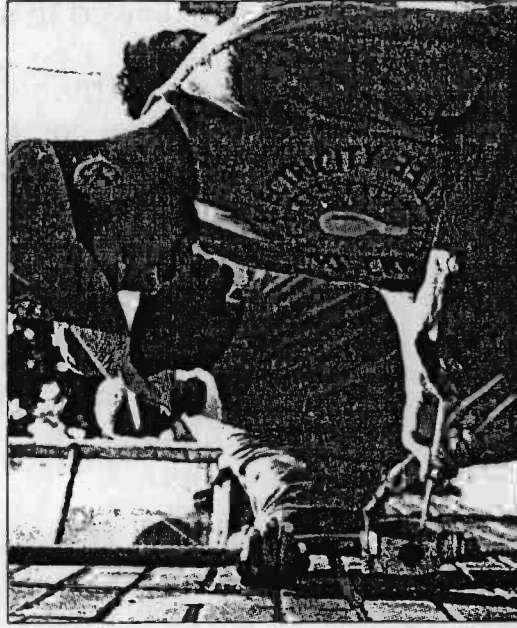
"We shouldn't have to resort to this," Mohapi, 58, said as she stood cross-armed and remorseless in front

of her home as the repairmen hot-wired her electricity. Nothing, she said, could compare to life under apartheid, the system of racial separation that herded blacks into poor townships such as Soweto. But for all its wretchedness, apartheid never did this: It did not lay her off from her job, jack up her utility bill, then disconnect her service when she inevitably could not pay.

"Privatization did that," she said, her cadence quickening in disgust. "And all of this globalization garbage our new black government has forced upon us has done nothing but make things worse. . . . But we will unite and we will fight this government with the same fury that we fought the whites in their day."

This is South Africa's new revolution. Seven years after voters of all

See SOWETO, A18. Col. 1



BY EZA PAVENTI FOR THE WASHINGTON POST

Bongani Lubisi, a volunteer repairman for the Soweto Electricity Crisis Committee, illegally reconnects power to a home. Electricity costs have risen as much as 400 percent in Soweto.

New Power Struggle For Poor in S. Africa

SOWETO, From A1

aces went to the polls for the first time, ending 46 years of apartheid and white rule, churches, labor unions, community activists and the poor in all-black townships are dusting off the protest machinery that was the engine of their liberation struggle. What most provokes South Africans' defiance today are what they see as injustices unleashed on this developing nation by the free-market economic policies of the popularly elected, black-led governing party, the African National Congress.

Materially, life here has only gotten worse since 1994 as the ANC has pursued a course of piecemeal privatization of state industries, whittling of import taxes and loosening of controls on foreign exchange. The policies have expanded opportunities for foreign investors but so far have deepened the poverty inherited from apartheid's segregationist policies.

With domestic industries more vulnerable to foreign competition and the restructuring of public enterprises, the most industrialized country in sub-Saharan Africa has lost nearly 500,000 jobs since 1993, leaving a third of the workforce unemployed. The poorest 15 million South Africans have had their annual incomes shrink by nearly a fifth of what they were before apartheid's collapse.

The ANC's top officials, many of whom were initially Marxists, say their economic policies aim to remedy the imbalances of the past, which included protectionist trade policies and concentration of wealth in the hands of a relative few. To redistribute wealth, ANC officials say, they must first expand it, and they say only the global market and foreign cash can ultimately do that, albeit not without some growing pains as the economy adjusts.

Increasingly, this country of 44 million people is running out of patience as it endures a financial crisis that statistically outstrips the Great Depression. At the same

blacks ignored by apartheid, the ANC announced six years ago that the government would sell public enterprises from the state-run airlines and the phone company to Eskom, the acronym for the public electricity commission. With encouragement from institutions such as the World Bank and International Monetary Fund, the government has so far auctioned off only small portions, while restructuring the public franchises into profit centers to showcase their attractiveness to potential investors.

The alienation felt by many poor blacks from this march to privatization has bred street rallies calling for a revival of "the spirit of '76"—a reference to the year of the Soweto riots, which gave the anti-apartheid campaign its second wind.

Virtually every week, thousands of demonstrators and unionized workers rally in the streets to denounce both GEAR and the ANC. Grass-roots organizations in Durban have begun moving evicted families back into their homes, sometimes only minutes after authorities have piled their household goods on the streets and bolted the doors. Unemployed plumbers in Cape Town reconnect their neighbors' water supply when it has been shut off because of nonpayment.

"There's definitely been a revival of the struggle mentality," said Bongani Lubisi, 28, one of scores of jobless volunteers who roam Soweto each day reconnecting electrical service. "We thought that when we got rid of the old government that our black government would take care of us. But instead the capitalists are getting richer while the working people lose their jobs and can't even meet their basic needs."

For all its anti-communist fervor, the apartheid government shielded South Africa's domestic industries from foreign competition with policies that included stiff controls on foreign capital, heavy state subsidies and tariffs on imported goods. When blacks refused to pay rent and utilities as part of township-wide boycotts, the apartheid government did not shut them or shut off their



BY EWA PAVENTI FOR THE WASHINGTON POST

Soweto residents watch Bongani Lubisi restore electricity to a home. "There's definitely been a revival of the struggle mentality," Lubisi said.

prescriptions for "cost recovery" in which the price for each kilowatt of electricity is set according to how much the utility spends to provide it.

That meant increasing costs by as much as 400 percent for some residents in Soweto, who for years were charged a flat rate for electricity.

"The idea is that we would do all [the improvements] and then the residents would start living up to their commitments. But we still recover only about 50 to 55 percent of the costs for the electricity we sell," Maroga said.

"There are clearly customers who don't have the capacity to pay," Maroga said. "But there is also this culture of nonpayment in Soweto where customers can afford to pay but they prioritize other consumptive spending. We need to deal with that."

In a place where median household income is less than \$100 a month, 90 percent of all Soweto households with electricity are behind in their payments, according to a university survey. Sixty-one percent have had their service shut off within a 12-month period. In a community of nearly 1.5 million peo-

ple, Eskom has a rate structure that economically makes sense," Bond said. "But socially it makes no sense. Their structure is good for the northern suburbanites, but we'd like to see a structure that is good for everyone. That means smaller profit margins in the short term but a healthier society in the long term."

Lubisi and another SECC repairman take Bond's argument to the street. They arrived one recent morning at the Maseka and Moeima intersection flanked by two recruits.

"Red and white are used as live wires and they are very dangerous," Lubisi said, showing the wires to the trainees as a crowd gathered.

James Buthelezi has lived in this house on Maseka Street for as long as he can remember, and this was the first time the electricity had been cut off. Twenty-eight people live in this five-room house and a tool shed-sized room in the back yard.

No one has worked in months and the family survives on Buthelezi's mother's pen-

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Increasingly, this country of 44 million people is running out of patience as it endures a financial crisis that statistically outstrips the Great Depression. At the same time, costs of such basic needs as housing, electricity and water are soaring.

"We did not give up our lives and the lives of our children only to let this brazen capitalist system exploit us even more," said Shadrack Motau, an SECC board member.

In South Africa, the most despised acronym is arguably not HIV, the AIDS virus that infects nearly a quarter of the adult population, but GEAR, the ANC's economic package—Growth, Employment and Redistribution—which opens the door to global trade.

Hoping to generate revenue, streamline a bloated bureaucracy and extend service to

run airlines and the phone company to Eskom, the acronym for the public electricity commission. With encouragement from institutions such as the World Bank and International Monetary Fund, the government has so far auctioned off only small portions, while restructuring the public franchises into profit centers to showcase their attractiveness to potential investors.

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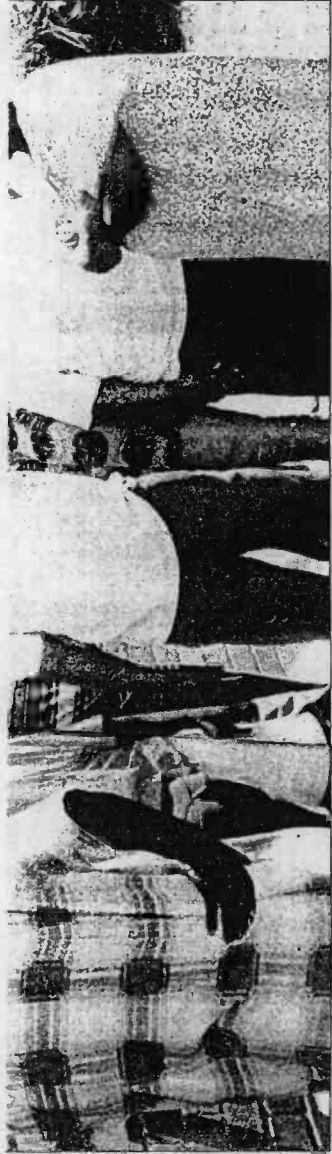
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Jacob Maroga, executive director of distribution at Eskom, said that Soweto's electricity problems started when the boycotts of the 1980s bankrupted the apartheid-controlled municipal government that purchased electricity and resold it to residents.

When Eskom began handling the accounts directly, it spent about \$75 million in capital improvements and wrote off nearly \$37.5 million in household debts. But in its preparations to sell the public utility, Eskom has focused on demonstrating its profitability to investors, following the World Bank's



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prescriptions for "cost recovery" in which the price for each kilowatt of electricity is set according to how much the utility spends to provide it.

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In a place where median household income is less than \$100 a month, 90 percent of all Soweto households with electricity are behind in their payments, according to a university survey. Sixty-one percent have had their service shut off within a 12-month period. In a community of nearly 1.5 million people, Eskom cuts off service to about 20,000 delinquent customers each month.

"This culture of nonpayment that people say exists in Soweto," said Virginia Setshedi, an SECC board member and law student, "it's only because people don't have money to pay."

Because Eskom sells electricity at discounted bulk rates, affluent municipalities in mostly white suburbs buy electricity and resell it to customers for roughly 30 percent less than what it costs Soweto's consumers. For the biggest users of Eskom's electricity—industrial sites such as steel plants and

coal mines—the rate for each kilowatt is roughly one-tenth the rate for a household in Soweto.

That inequity drove a coalition of un-reconstructed communists, retirees and college students to create the SECC nearly a year ago. Its chairman, Trevor Ngwane, a former ANC municipal council member, recruited a friend, a laid-off Eskom repairman, to train volunteers how to reconnect a power supply.

Since then, Operation Khanyisa—which means "to light" in the Zulu language—has mostly spoken here—has unlawfully restored electricity to about 3,000 homes.

"We're getting about 50 calls each day from the community," Setshedi said. "We don't ask why or when the people were cut off, we just switch them back on. Everyone should have electricity."

To combat the illegal connections and the SECC's growing celebrity, Eskom officials have published full-page ads in the Sowetan daily newspaper, warning readers that 10 South Africans—mostly children—were killed last year by exposed live wires. But SECC officials say that none of those fatalities occurred in Soweto, where volunteer technicians are trained to wrap live wires in plastic bags.

Patrick Bond, a business professor at the University of the Witwatersrand and co-director of the Municipal Services Project, acknowledges that it is expensive to provide electricity to the poor, who use little electricity and are unable to buy it in bulk through their municipality, which results in duplicate costs for equipment, administration and labor.

But he said Eskom could largely resolve the debt problem in Soweto by charging big

industries a few cents more for each kilowatt of electricity, subsidizing a cheaper flat rate for poor customers.

"Eskom has a rate structure that economically makes sense," Bond said. "But socially it makes no sense. Their structure is good for the northern suburbanites, but we'd like to see a structure that is good for everyone. That means smaller profit margins in the short term but a healthier society in the long term."

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No one has worked in months and the family survives on Buthelezi's mother's pension, less than \$125 a month. Their unpaid bill is more than \$3,000. "When they came to cut off our electricity, we begged them not to," said Buthelezi, 58. "We told them that we had babies and elderly people inside. They didn't even pause."

The SECC's members have tried to talk to Johannesburg's mayor about the hardships endured by families like Buthelezi's, but he has repeatedly given them the slip. In June, more than 20 angry residents marched to the mayor's home but again he ducked them.

Unable to cut off his electricity, they disconnected his water.

PEOPLE'S POWER IN SOWETO! AN END TO ESKOM'S ELECTRICITY CUTS - BUT RELATED STRUGGLES TO INTENSIFY

Soweto Electricity Crisis Committee, 18 October 2001

PLEASE NOTE:

Readers wanting to reproduce and reference
this article should contact Soweto Electricity Crisis Committee

CONTACTS:

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Virginia Setshedi, deputy chairperson, 072-152-4220

The Soweto Electricity Crisis Committee warmly welcomes the suspension of cut-offs by Eskom. This is a victory for humanity, for development and for the expansion of our constitutional rights to lead lives of dignity.

The news comes on the eve of our launching major civil protests and legal action against Eskom and municipalities which persist in denying constitutional rights to low-income citizens. We will not rest, but will intensify the struggle of poor and working-class Sowetans in related socio-economic grievances. The Johannesburg Metro's iGoli 2002 plan, and Johannesburg Water Company's plan to cut off water supplies and impose pit latrines on poor people are now targets in our sights. But we will expand our work into a variety of other socio-economic rights, including water, healthcare, housing, the environment, employment and access to food.

And in doing so, we will join people across Gauteng in our Anti-Privatisation Forum. In six weeks' time, we will host similar groups across South Africa in the National Exploratory Workshop. That workshop will spread the lessons of how people's power can overwhelm unaccountable, heartless officials from Eskom, other parastatal agencies, national and provincial government departments, and municipalities. As we approach the Rio+10 World Summit on Sustainable Development, the lesson will go out to the whole world only struggle by the masses for social justice can reverse the tide of free-market economics and big-business interests that are corrupting our hard-fought South African liberation.

Eskom's incompetence when billing Sowetans is one of its most important apartheid-era legacies. After 1994, the incompetence worsened, and was accompanied in recent months by the most cruel and unusual measures to cut peoples' supplies.

In claiming victory, the Soweto Electricity Crisis Committee salutes the many people who have been shot--at least two dead in the Vaal--by Eskom security officials and outsourced mercenary companies, and the dozens of people killed in electrocutions caused by inadequate Eskom and municipal services.

We believe that the drive to privatise--by milking more from the poor--seemed to instill in Eskom the most anti-social, anti-environmental strategies. We also believe that the tide has turned, internationally, against privatisation. "Renationalisation" is now a popular sentiment.

We also believe that People's Power is responsible for Eskom's U-turn. We mobilised tens of thousands of Sowetans in active protests over the past year. We established professional and intellectual credibility for our critique of Eskom, even collaborating on a major Wits University study. We demonstrated at the houses of the mayor, Amos Masekela, and local councillors, and in the spirit of non-violent civil disobedience, we went so far as to disconnect the electricity supplies of the mayor and councillors to give them a taste of their own medicine.

On Saturday, 14 October, Councilor Kunene's supply was cut by non-violent protesters. On Monday at 4AM, the police raided two homes of SECC comrades, but failed to arrest them. On Tuesday, five hundred Sowetans presented themselves for mass arrest at Moroka Police Station, but the police were overwhelmed by our unity.

Yesterday, the councilors met Eskom, and we can guess what they had to say about the company's terribly unpopular policies, and how those policies are ruining the reputation of the ruling party and the government as a whole.

Finally, someone is knocking sense into Eskom's senior management. For us, the price has been high. But further battles remain, and we will intensify our struggle with renewed confidence and momentum. Eskom is still running its business

We have won a temporary victory over Eskom, but our other demands remain outstanding commitment to halting and

reversing privatisation and commercialisation, the scrapping of arrears, the implementation of free electricity promised to us in municipal elections a year ago, ending the skewed rates which do not sufficiently subsidise low-income black people, additional special provisions for vulnerable groups--disabled people, pensioners, people who are HIV+--and expansion of electrification to all, especially impoverished people in urban slums and rural villages, the vast majority of whom do not have the power that we in Soweto celebrate.

We thank for their support, all the comrades in Soweto, all the media who have covered our story and many which have editorialised against Eskom, trade unionists who have vigorously fought privatisation, Wits University Municipal Services Project and Wits Centre for Applied Legal Studies.

COLD CUTS

by Simon Zwane, *Sunday Times*, 8 October 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Sunday Times*

An estimated 20 000 Soweto households suffer power cuts each month. Eskom says it cannot allow arrears totalling R700-million to continue. Angry residents claim the billing is inaccurate.

A Soweto family, who had their power supply cut off by Eskom in a battle over bills, have been forced to BURN their furniture to stay warm in winter.

The Maphalala family of six from Senaone in Soweto , like thousands of others, are in the frontline of the township's battle with the electricity giant.

Soweto residents have taken on Eskom over inaccurate billing, which they say has landed households with debts of tens of thousands of rand and has sparked an uprising.

Eskom's critics have also pointed to the difference in prices charged to residents of Soweto and wealthier areas like Sandton, which result in township consumers paying more.

Puzzled

For the past seven years the Maphalala family has had no electricity and has had to rely on candles and a coal stove.

Eskom cut their supply in 1994 when they could not pay their debt of R700.

And, with no money to buy coal this winter, the family tore apart their only wardrobe and used its pieces for firewood as they tried to warm their 35-year-old daughter Busi, who has HIV-Aids.

"We had no option. It was cold and I needed some warmth," said Busi.

The family's power supply was illegally reconnected in July by the Soweto Electricity Crisis Committee, through its Operation Khanyisa defiance campaign against Eskom.

But this month the Maphalalas got another shock when they got a power bill claiming they had used R2 203.36 worth of power in the last month, pushing their accumulated debt to almost R5 000.

"Our meter has not worked in many years and I am puzzled at how Eskom knows the amount of electricity we have used," said Maxwell Maphalala, who said their only electrical appliance was a hotplate.

Other residents such as Jabulile Dube have accumulated debts of up to R60 000 and are refusing to pay until inaccuracies have been corrected.

Close to nine in 10 Soweto households are in debt to Eskom, says a report by Wits University.

But Eskom, which is owed R700-million in unpaid service fees in the township, has intensified power cutoffs in the township.

An estimated 20 000 households are cut off monthly.

The Soweto Electricity Crisis Committee has called for a boycott of payments until all issues have been resolved.

There have also been threats that the protest could spread to other townships in Gauteng, where cutoffs are also on the increase.

Crisis committee spokesman Dudu Mphenyeke said: "We want all the bills to be scrapped because they are inaccurate."

Pressing

Joburg Mayor Amos Masondo said his council was pressing Eskom to deal with Soweto's grievances in a "sensitive and considerate manner".

But Eskom spokesman Clarence Kwinana said: "The call to scrap all electricity arrears is not an option."

He said Eskom had scrapped all arrears in 1994 and the boycott was unacceptable.

"Scrapping arrears at this stage would be inappropriate and ineffective," he said.

"Customers should desist from accumulating unmanageable debts with the hope that they will be scrapped at some stage."

http://qsilver.queensu.ca/~mspadmin/pages/Project_Publications/News/coldcuts.htm

Joburg council officials met Eskom this week and agreed that inaccurate bills would be reviewed and that pensioners would be exempt from cutoffs.

<http://www.suntimes.co.za/2001/10/07/news/gauteng/njhb01.asp>

THE PRICE OF POWER

by Simon Zwane, *Sunday Times*, 8 October 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Sunday Times*

It's more expensive to boil a kettle of water in Soweto than in Sandton, says Wits report.

Soweto residents are paying more for electricity than suburbanites and big business, a Wits University report shows.

The report, surveying 200 Soweto households, said poor households were paying close to 30% more than residents in wealthy suburbs.

The report showed that domestic urban consumers pay an average of 24.59 cents a kilowatt-hour (kWh) while manufacturers pay 12.83 cents a kWh and the mining sector 12.32 cents.

Eskom admits that Soweto residents pay more per kilowatt-hour than Sandton residents.

Soweto consumers are charged 32.79c/kWh while Sandton residents pay 22.58c, meaning it's more expensive to boil a kettle in the township than in the suburbs.

But an Eskom spokesman, Clarence Kwinana, said the final bill for those living in Sandton would be higher because of a R47.34 fixed charge, or service fee, that Sandton households pay.

"The tariff generally applied in Soweto is Eskom's lowest tariff for residential customers that are low-to-medium users of electricity," he said.

But if Soweto consumers use more than 672kWh a month they end up paying more than consumers in Sandton.

The cost in Soweto would be R220.35 while in Sandton it would be R199.08, including a R47.34 fixed charge.

Dudu Mphenyeke of the Soweto Electricity Crisis Committee says the tariff structure means "the poor are subsidising the rich".

The Wits report said the tariffs meant poor households could not afford electricity for basics like cooking and heating.

Soweto vs Sandton

Soweto

KETTLE: Three minutes a day. Cost: R0.98 a month

IRON: Two hours a day. Cost: R23.61 a month

TV: Four hours a day. Cost: R3.94 a month

STOVE: Two hours a day. Cost: R59 a month

BILL: R87.55

Sandton

KETTLE: Three minutes a day. Cost: R0.77 a month

IRON: Two hours a day. Cost: R18.52 a month

TV: Four hours a day. Cost: R3.09 a month

STOVE: Two hours a day. Cost: R46.33 a month

BILL: R68.72

PLUS fixed rate of R47.34. TOTAL: R116.07

<http://www.suntimes.co.za/2001/10/07/news/gauteng/njhb02.asp>

NEW ELECTRICITY CUTS STUDY SAYS IT ALL...

Cosatu Weekly, 7-17 September 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Cosatu Weekly*

If electricity supply to townships is not subsidised by the government through something like a flat rate, the electricity supply system could soon be on the verge of collapse, according to the study by the Municipal Service Project on the Soweto power supply crisis.

The study, done in conjunction with the Soweto Electricity Crisis Committee, follows the recent winter power cuts in thousands of households in the area. COSATU's campaign against the privatisation of state assets, which includes Eskom, is continues.

SOWETO IN CRISIS AS ELECTRICITY DEBT SPIRALS

by Elijah Mhlana, *Saturday Star*, 1 September 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Saturday Star*

Nine out of 10 households in Soweto are in arrears with electricity payments, and six out of 10 have had their power supply cut in the past year, as the township's debt spirals to R1-billion.

And, according to a new study of the crisis by the Municipal Service Project, in conjunction with the Soweto Electricity Crisis Committee, in the light of Eskom's ongoing efforts to cut off defaulters, a move back to radical steps such as those implemented during the apartheid era might be the only way out.

If electricity supply to townships is not subsidised by the government through something like a flat rate, the electricity supply system could soon be on the verge of collapse, the study says.

Sowetans aren't happy with Eskom

But Eskom spokesperson Jane Mofokeng says there will be "no return to the flat rate. People will be charged according to their consumption."

Some households are more than R30 000 in arrears, and "a large proportion of arrears are more than four years old, suggesting a long-term debt trap for many low-income households", according to the report.

Apart from the disconnections, another 10 percent of households had their electricity cables permanently removed by Eskom for allegedly reconnecting illegally to the electricity grid. Some households have gone without power for four years.

"The health and safety implications of these cutoffs are serious. Respondents complain of spoilt food, increased workloads for women, loss of productivity in shops, and increases in domestic violence," according to the report.

Mofokeng says complaints about the failure to settle arrears have come mainly from pensioners, and meetings have been held to resolve the matter.

The report notes: "Sowetans aren't happy with Eskom. Two-thirds said the service is 'bad' and 70 percent said it is worse than five years ago.

"Inaccurate, inconsistent and confusing billing, poor customer relations and lack of notification before disconnections were some of the reasons for rating Eskom's service so poorly.

"Despite the ANC's election promises of free electricity for all and the fact that there are now more than 2,5-million additional homes connected to the electricity grid, with plans for 600 000 more connections by the end of next year, the service is still not affordable."

[http://www.iol.co.za/general/newsview.php?
click_id=124&art_id=ct2001083119550230B423677&set_id=1](http://www.iol.co.za/general/newsview.php?click_id=124&art_id=ct2001083119550230B423677&set_id=1)

'SA PLAYING ECONOMIC CATCH-UP'

by Jeanne Viall, *Cape Argus*, 27 August 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Cape Argus*

Cape Town - There are some things you can't put a price on, like such basic services as electricity and water. And if these are privatised, it can become difficult to provide essential services to the poor.

This is a key pillar of Cosatu's protest against the privatisation of state assets.

"Clearly, the issue with privatisation isn't just jobs, but whether basic services are available to people," said Patrick Bond, a professor at the Graduate School of Public and Development Management at Wits University and co-director of the Municipal Services Project, which researches the impacts of privatisation on the delivery of basic services to the rural and urban poor.

He said: "The most profound thing Cosatu is saying is that privatisation will end cross-subsidies. A private company, with the incentive of profit, isn't interested in subsidies.

"The private sector invariably denies services to those who cannot afford them at market prices.

"The incentive for a good government is to provide a lifeline supply of services, so that the kinds of social, health and environmental problems we have in low-income communities don't continue," he said.

Critics of privatisation say it has failed in countries around the world.

"There's no doubt that privatisation has lost its gloss internationally," said Margaret Legum, an economist with the SA New Economics Foundation.

"In the United Kingdom, the United States, Australia and everywhere in Europe, privatisation of industries, especially utilities, has been a disaster.

"What has happened there is that they've adopted the

'customer comes first' slogan," she said.

"Commuters have become customers. So money is spent on a liveried person holding the door open in first class and little sugar bowls on the table.

"Meanwhile, as a company which has to make profit, attention to safety has gone down the tubes.

"That's why there are so many crashes: inadequate training of new drivers, faulty signalling equipment.

And morale is so low among the workers because they get blamed for accidents, not the managing director. Costs are kept down so profits can be higher."

South Africa "still has to catch up with world economic trends," said Legum.

"We're like those huge oil tankers which need miles to turn around.

Our government did not start off with the privatisation policy, but was persuaded to set up Gear (Growth, Employment and Redistribution) as an economic policy.

"Our problem is that we inherited the most appalling public service and it had to change.

The way to go is through public/private partnerships - get private enterprise to help with their skills."

Privatisation of major parastatals is expected to raise R18-billion. Bond said privatisation is "clearly a family silver sell-off to get in money, especially hard revenue, to pay back apartheid debt".

"There is pressure on (Finance Minister) Trevor Manuel to keep budgets down, get more efficiency out of utilities.

There is a desperation for foreign exchange inputs."

But, said Bond, privatisation destroys relationships between government departments.

He used the example of a free lifeline of water (possible with cross-subsidisation), which benefits the government in ways not usually accounted for, such as preventing cholera, reducing the incidence of diarrhoea diseases (a leading killer of

children under five), environmental protection and gender equity (women spend hours collecting water).

If you sell water provision to the private sector, it's business is water and it has no stake in public health or environmental protection.

South Africa's recent cholera epidemic began in Empangeni when a water cost-recovery strategy was introduced, in line with a World Bank "user fee" policy.

Thousands of people couldn't afford it and their water supply was cut off.

They used the free source of rivers.

Hundreds of people died and thousands more were infected and treated at a huge cost to the Health Department.

"And so you sacrifice these huge benefits, which are not generally accounted for," said Bond.

The SA Municipal Workers' Union (Samwu) said hundreds of privatisations had been forced on poor countries by the World Bank over the past four years and most had failed.

"Samwu has always provided hard evidence to back up this claim.

It is the government who is blindly refusing to learn from international experience."

<http://allafrica.com/stories/200108270200.html>

COMMENTARY BY JOHN PAPE

by John Pape, *Cape Times*, 27 August 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Cape Times*

This week thousands of workers in Cape Town and across the country will go on strike against privatisation. Many people think that these workers are just trying to protect their jobs. Privatisation will mean job losses. But the unions are worried about far more than employment for their members. At stake is the future of service delivery for citizens of this country.

In going on strike these workers are attacking one of the great myths of the era of globalisation that the private sector is the most effective deliverer of services. This myth is propagated by consultants, company CEOs, and even some government officials who constantly repeat the refrain private sector good, public sector bad.

While we all may have a story or two about a municipal worker loafing on the job, let us not substitute impressions for analysis. Do we want to hand over our services and assets to multinational corporations? Global conglomerates may have the latest computer systems and abundant capital, but at the end of the day, will they give prioritise the welfare of Capetonians over shareholder value? Doubtful.

There is ample evidence from around the world strongly challenge the myth of effective private sector delivery. For example, look at what happened to the people of Auckland, New Zealand when they handed over their electricity service to multinational corporations. Auckland found a place in the Guinness Book of records for longest electricity blackout two weeks in 1998.

Buenos Aires caught a double dose of the privatisation blues. Not only did they have extensive blackouts after privatising electricity, they contracted their water to a French company Lyonnaise des Eaux. Within a few months prices had risen by 20%.

Our global tour of privatisation debacles need not stop there. Let us go to California one of the most technologically advanced places in the world. Last year the so-called Golden State, turned a bit brownish due to widespread power

blackouts. The reason behind the power failures? The state handed over electricity supply to the private sector and to removed all regulations on prices. Predictably, private electricity suppliers raised prices by up to 700%. In the end, many local authorities could not afford to buy energy. The governor of the state, Gray Davis, a man of very moderate views, condemned the power companies as "the biggest snakes on the planet Earth," and accused them of trying to bleed us dry."

Of course there are many other examples which highlight the problems of privatisation the rash of accidents on the London train systems after privatisation, the general strike in Cochabamba, Bolivia when water prices rose by more than 50% after a US-based provider took over. In Africa as well privatisation in countries such as Kenya and Guinea led to massive rate hikes and slowing access for the poor.

Yet, despite the proliferation of such privatisation disasters, the rulers of the Unicity still continue to perpetuate the myth of the efficient and effective private sector. At the core of the myth is the notion that Cape Town must become a world class city. We need to read between the lines of the phrase world class . It comes with an ideological attachment. To become world class, you need to follow global trends or international best practice. To find out what international best practice is, you must bring in a firm of global consultants (who prefer payment in US dollars) to tell you. Of course, consultants like Price Waterhouse Coopers and Arthur Andersen (who were hired by the Cape Metro Unicity Commission to plan our service delivery strategy) will tell you their version of the truth you need to form partnerships with business in order to become world class. Not coincidentally, these companies also offer services in facilitating such partnerships. Apart from generating consultancy fees, the motivation for forming such partnerships is another myth the public sector lacks capacity.

But what is the reality in Cape Town in terms of capacity? Firstly, the Unicity has never conducted an audit of the existing skills. So how do they know what capacity exists? Last year we conducted a survey for the Unicity Commission where we interviewed more than 200 workers in a range of areas and services. Only a third had received any training in the previous five years. How could they be expected to be world class ? This year we spoke to workers in a number of services. There was a clear pattern in most departments. Staff numbers were falling. When workers resigned or retired they are not replaced. When work needs to be done, the local authority outsources to the private sector. In other words, the capacity

within the municipality is being systematically drained. At the end of the day, if there is a lack of capacity, it is not a problem of public sector delivery but how that public sector delivery is managed and resourced.

In following their present approach, the Cape Town Metro is actually going against government agreements and even legislation. The 1999 National Framework Agreement signed by SALGA on behalf of local authorities designates the public sector as the preferred option. This obligates municipalities to consider how to build the public sector before turning to privatisation. The Systems Act of 2000 requires a thorough investigation of the internal mechanism (i.e. existing systems and capacity) before any outsourcing or selling off of assets can be considered. This must include some sort of audit of existing skills. But rather than move in this direction, the Umicity government has joined with Shell to conduct a feasibility study to construct a privately owned, gas-fired power plant in Cape Town (with a price tag of R7 billion). Almost immediately after taking office, the new municipal regime put forward proposals for converting existing services into utility companies a first step toward privatisation. (they have elected to withdraw for fear that they might not be following the Systems Act-but it is still on the agenda). And, of course, they continue to outsource functions at the depot level.

When workers go on strike this week political and business leaders will condemn their actions as irresponsible. Likely the unions will be blamed for the falling value of the Rand or the demise of investor confidence. But let us look at the bigger picture-the welfare of the citizens of Cape Town and South Africa generally. Hundreds of Capetonians are being evicted because they cannot afford present service and rent charges. Thousands have been made homeless in the past few weeks because they lack basic drainage and sanitation. There is no profit to be made from these people. The global market players are not interested in them. The only way to address their needs and to attack the scourge of poverty is to make government accountable for improving the public sector and to ensure that services are properly planned and resourced. This is what the unions are calling for. I say let's join hands with them to develop a more effective public sector in South Africa.

John Pape is with the International Labour Resource and Information Group.

COMMENTARY ON PRIVATISATION BY ROGER RONNIE, SAMWU GENERAL SECRETARY

***Sowetan*, 15 August 2001**

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The South African government has joined the governments of the rest of Africa, who, with little experience, are scrambling to attract investors and to privatise. There are very few people who can figure out why the government is doing this. Privatisation of water certainly doesn't empower anybody - there are only four European multinationals that have the monopoly worldwide on water for profit. One of these, French Vivendi, has recently started putting up water prices in the poorest countries of the world because they need extra cash to inject into a Hollywood studio they acquired recently.

So why would our government sell off our water, which already most of us cannot afford to pay for? Does the government feel that it's okay if what we pay the private water companies (coming soon) gets used to subsidise new blockbuster movies? Maybe they do. If so, they are not alone. They have a rather large and powerful ally - the World Bank. The Bank universally promotes privatisation, using the one-size-fits-all framework, which has dominated their policies for decades. They succeed in getting governments to privatise by either using strong arm tactics, like threatening to withhold future loans or making privatisation a conditionality for loans or debt relief that is needed right away. This has been their practice across Africa, but in South Africa it was much easier for the World Bank because the ANC government simply invited them to write the whole economic policy, GEAR, instead. So they didn't need any threats or force.

In Europe, water privatisation has been failing for decades, and in several towns water has been "re-municipalised" or taken back from whichever multinational messed up the service. In Africa, although water privatisation is not that old a practice, recent research conducted by London-based Greenwich University's Public Service International Research Unit uncovered that where water was privatised, it was as disastrous as the European experience.

The people of Nairobi, Kenya, for example, were forced to fork out over R160 million when Nairobi's water was privatised to

French multinational Generales Des Eaux. Soon after the company privatised, they decided to install a new, and not budgeted for, R1.5 billion billing and revenue collection service. Although the Mayor complained, the company proceeded and put water prices up by 40% in order to pay for the new system. During this time, 3 500 municipal workers were replaced by 45 foreign staff who earned massive salaries from a total R13.6 million in the second year of the contract, rising to R31.2 million per year by the end of the contract.

Just a week after this greed was exposed, the World Bank told the Kenyan government that it should privatise all the roads in the country. Typically of the World Bank, they announced that nine months of research to be conducted by themselves would be followed by the appointment of a World Bank consultant but that private companies should start sending in their bids immediately! This is what the ANC government is doing - deciding to privatise before finding out whether it is a good idea or not.

Privatisation of water was also bad for the poor of Guinea. Before privatisation in 1989, fewer than 40 percent of the urban population had access to piped water. The government was short of funds and needed donor finance. Private participation was a condition of World Bank lending. The workforce was cut almost in half from 504 employees to 290 and right after privatisation, water prices were increased. The connection rate only rose by 9% in 7 years leaving over 30% of Guineans still without water. The high price of water meant people could not afford to get connected - it was difficult for even wealthy people to pay. (Prices in Guinea are higher than average in Africa and Latin America.)

There is a public sector alternative to privatising water, which clearly does not work in any case. In South Africa, this public sector alternative is legislated in the Water Services Act. The Act says that other service providers, such as multinationals, should only be brought in when all known public providers have been exhausted and found unwilling or incapable of doing the job. Another agreement was signed in 1998 between local government and the trade unions for the public sector to be considered as the provider of first choice. It concurs with national legislation that the public sector is the preferred deliverer of services and specifies that involvement of the private sector in service delivery should only be a very last resort--if there is no public sector provider willing or able to provide the service. However, the privatisation of water in Johannesburg, Nelspruit and Dolphin Coast has been implemented in breach of these guidelines. Technically water

privatisation is unlawful in these three places. It seems that laws and legal agreements are not worth the paper they are written on.

The government is still wasting money enriching the European multinationals at the expense of the poor. For example, the Portuguese government financed the building of a new water treatment plant in Matsulu, Nelspruit. The South African government constructed it, and will operate it for one year. After this it will be given as a gift to the multinational which is currently increasing prices in Nelspruit, even though this company contributed nothing to the project.

The ANC government is adamant that the people of South Africa will be forced to follow the path of hardship trod by masses in other African countries who have been subjected to Structural Adjustment Programmes. The people of Mozambique were forced to submit to privatisation at the end of 1999, after the country was told it would only be eligible for debt relief if they agreed to sell off 70% of their water to European multinationals. One of the multinationals is IPE from Portugal, the former coloniser of Mozambique. Liberation movement governments are bringing colonisation back into fashion through their constant capitulation to the World Bank's privatisation.

Similarly in Cameroon, last year, Suez Lyonnaise was selected as sole bidder to acquire majority stake in the state water company for 20 years. This privatisation had to be rushed through in order for Cameroon to qualify for debt relief from the WB and IMF.

The water of Tanzania, Lagos in Nigeria, Ghana, and Congo is currently up for sale. Community organisations in Ghana recently invited South African trade unionists and community leaders to help formulate an anti-privatisation campaign in that country, now known as the Ghana National Coalition Against the Privatization of Water or the "CAP of Water". Yet where the World Bank has funded some rural water schemes in Ghana, these have failed because the Bank demanded that rural communities pay an upfront cash amount towards constructing the water systems. "The policy has resulted in excluding poor communities incapable of paying from enjoying their right to consume portable water," says the CAP of Water.

There is overwhelming evidence that privatisation of water does nothing except line the pockets of the four major multinationals who dominate the world market. The companies themselves make no pretence that they want to deliver a

decent service to the community. For example, Biwater which privatised Nelspruit's water, withdrew from a Zimbabwean water privatisation project when it became clear that citizens could not pay the tariffs that would be required for Biwater to make a profit.

The ANC government is pushing the workers of South Africa into strike action at the end of this month. As workers of this country and members of impoverished communities, we are determined to fight for affordable, good quality water good delivered on the basis of need and not profit.

WATER PRIVATISATION: IMF AND WORLD BANK AT THE FOREFRONT POVERTY REDUCTION BY WATER COMPANIES?

**by Katrin Stocker, *Swiss Coalition, Water Campaign*,
July 2001**

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Water supply operations are being privatised all over the world. The World Bank and the International Monetary Fund (IMF) are primarily responsible for pressurising countries to privatise this resource. At the same time, however, resistance is growing: In Johannesburg, South Africa, unions are currently protesting a take-over of water supply operations by the French Suez-Lyonnaise group.

At the beginning of April 2001 Suez-Lyonnaise and two partners took over water supply operations for the South African metropolis of Johannesburg. Suez-Lyonnaise is the world's largest water company and supplies over 110 million people with drinking water. But privatisation has met with resistance in Johannesburg: the South African Municipal Workers Union (SAMWU) fears higher prices, redundancies and corruption. Defending the union's resistance, SAMWU spokesperson Anna Weekes said, ½Suez-Lyonnaise has already drastically raised water prices in every city where it was granted a concession.+ SAMWU's fears are based on a recently-published study on water supply in Buenos Aires. As the main partner of Aguas Argentinas, Suez-Lyonnaise has been supplying water to Buenos Aires' 10 million inhabitants since 1993.

Buenos Aires is one of the largest water concessions in the world and has been hailed as a success story internationally. But the first study conducted outside the World Bank Group shows the exact opposite. Water prices were raised by 20 percent after privatisation. Poorer families - if at all connected to the supply - can no longer afford this vital resource. The sewerage system, which was to be renewed according to the contract, does not function. 95% of the city's sewage is dumped into the Rio del Plata River, causing environmental damage that must in turn be paid for with public funds. The delivery of water has clearly become twice as lucrative as the treatment of sewage: Aguas Argentinas and Suez-Lyonnaise

are making record profits that are twice the international average.

Pressure on poor countries

Some of the poorest countries in the world, including Mozambique, Benin, Niger, Rwanda, Honduras and Yemen, have been forced to privatise their water supply under pressure from the IMF and World Bank. Ironically, most countries privatised as a condition for receiving credits from the IMF's new Poverty Reduction and Growth Facility (PRGF). But rather than reducing poverty, water privatisation means that the poorest families are no longer able to afford clean water. Ghana, too, is to privatise its water supply under pressure from the World Bank. Negotiations are currently being held with five water companies, but these are only interested in the lucrative provision of water to the urban sector. The unprofitable rural sector will be supplied by local communities. Up to now the urban sector has been subsidising the rural sector, but this will no longer be possible after privatisation. Here, too, activists are protesting against the move to privatise, fearing an increase in prices and hence more restricted access to water by those who are less able to afford it. More and more, poor families will be forced to choose between water, food, school and healthcare.

THE RICH SHOULD SUBSIDISE THE POOR

by Jaspreet Kindra, *Mail & Guardian*, 8 June 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Mail & Guardian*

Eskom should be providing electricity on a free lifeline basis where it has jurisdiction, says Wits University political economist Patrick Bond.

He cites the Irene Grootboom case last year, which gave force to the constitutional guarantee of dignity in shelter and services as the basis for an argument for a lifeline electricity supply.

The case drew its name from the first respondent in a Constitutional Court case, Irene Grootboom, a former resident of the Wallacedene settlement on the Cape Flats. The residents were evicted from an area earmarked for low-cost housing development in 1998. After legal battles at the Cape High Court, the residents took their case to the Constitutional Court.

The court ruled last year that the "state is obliged to take positive action to meet the needs of those living in extreme poverty, homelessness or intolerable housing".

Bond says : "The amount of the lifeline is still being debated. Stingy officials such as those in Cape Town are offering just a couple of days' worth each month, and on top of that rejigging property valuations to favour the rich.

"In more civilised municipalities, there will be cross-subsidisation from the wasteful luxury users, as well as from large firms that use most of the country's electricity."

Bond argues that South African large firms' energy input costs are about the lowest in the world. "It makes sense for them to pay a wee bit more, so that society doesn't keep paying the price for those who can't afford electricity.

"That price gets higher as our air gets dirtier, as we suffer opportunistic Aids-related infections and tuberculosis due to internal air pollution, as deforestation worsens along with gender inequity due to time spent collecting wood, as paraffin burns and wild fires in shack settlements continue, as we have

lower productivity of childhood education because of lack of electricity, as fewer small businesses can get going without electricity, and as we suffer so many other problems associated with Eskom's drive to cut people's supply."

Bond says the drive to corporatise and privatise lies behind the electricity cut-offs, which is a "political decision based on the desire to get more state revenues from privatisation proceeds, instead of raising funds in other ways, like more progressive taxes or borrowing. "

And that brings us back to the neo-liberal clique in the African National Congress who is making decisions like Gear [the macro-economic growth, employment and redistribution strategy], which turns five this year, having failed to meet most of its targets, with-out this clique feeling the suffering of the people in Soweto and across South Africa.

"Given the upsurge in grassroots protest, maybe this travesty can be reversed, finally."

JOHANNESBURG COUNCIL MUST TAKE CONTROL OF WATER: SAMWU

Sapa, 4 May 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Sapa*

The SA Municipal Workers Union on Thursday once again called for the City of Johannesburg to take full control of its water services. It said in a statement that one of the companies - Suez Lyonnaise des Eaux - involved in managing the city's water and sanitation was renowned for bad practices in other parts of the world. "Samwu is completely vindicated in our demand that the Ucity should deliver water directly as the public sector provider. "Suez Lyonnaise must be removed from Johannesburg immediately for not disclosing their bad practices during the bidding (to manage the city's water)," the union said. It said it was "shocked" by a recently released Municipal Services Project study of the private water and sanitation concession in Buenos Aires, Argentina, which Suez Lyonnaise was part of. The study was undertaken by Samwu, the University of the Witwatersrand, Queens University in Canada and the Canadian Union of Public Employees. The Municipal Services Project revealed that the Buenos Aires privatisation had been a major failure, Samwu said. It said the privatisation had been done behind closed doors, with no public debate and said the Johannesburg Metro Council was doing the same. "Although the Council is bound by the Municipal Systems Act to open all of its committees to the public and offer up the full records of all meetings, it has refused to do this and is now facing legal action from at least one newspaper demanding full public access." It said sewerage infrastructure development had not kept pace with water delivery expansion in Buenos Aires and the cost of water rose by 20 percent in the run-up to privatisation. It said the government artificially inflated prices in order to make the company look more efficient. Samwu warned that soon Johannesburg residents would get "much" higher water bills. Johannesburg Water spokesman Jameel Chand said that Samwu's concerns were unfounded. He said it was a known fact that the council announced tariff increases every year on July 1. "This is not something major - it has been done like this for donkey's years. It has been decided that the increases will be inflation related or even below the inflation," he said. Chand said Johannesburg Water was a privately-run company with its own board of directors but was owned by the city. He said this

http://qsilver.queensu.ca/~mspadmin/pages/Project_Publications/News/council.htm

meant that all policies, targets and decisions such as tariff increases were decided by the council and not the management of the water.

FRIDAY, MAY 4 2001

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BUSINESSREPORT

SOUTH AFRICA'S NATIONAL FINANCIAL DAILY

Government will have to come up with an alternative to privatisation

It is rank idiocy to imagine that one form of ownership is inherently more or less efficient than another. That, in blunt terms, is the perfectly logical view of most of the trade union movement.

Any enterprise or service, especially on a large scale, requires workers with certain skills, infrastructure, financial capital and a management system. Ownership may or may not have a bearing on any of these often-complex factors.

Above all, efficiency should not be confused with private sector profitability. Such profitability is only a measure of how efficient an enterprise is at creating wealth for its owners.

This is the essence of "trickle down" economics: the theory that the richer the rich become, the more wealth will trickle down to the poor. That there is little evidence anywhere that this has happened has not deterred its supporters - to the chagrin of the trade union movement.

Particularly annoying for the unions is that such profitability often comes at great social cost through lost jobs, lower wages and the marginalisation of "unprofitable" communities. Most unions, and certainly those organised in the Cosatu and National Council of Trade Unions (Nactu) federations, therefore oppose privatisation while supporting the concept efficiency.

This is the basis for the Cosatu threat of a general strike against privatisation. The announcement of a two-day stoppage should be made either today or early next week.

Simply put, the union position is that it is essential that the best and most efficient means be used to provide goods and services to the greatest benefit of those who most require them. A well-resourced and managed public sector would be the best way of achieving this.

This does not mean that the unions eschew profit. Because of the economic system in which we function, they accept that it is necessary for a balance to be struck between income genera-

tion, especially for reinvestment, and the provision and pricing of goods and services.

Herein lies the fundamental difference between the public and private sectors. The nature of private ownership dictates that greater and greater profit for the shareholder-minority must always be the priority. This must, of necessity, come at the cost of lesser services, fewer jobs or higher prices for the majority.

"Ordinary working people know this, but the situation is confused by those in authority," said Mahlomola Skhosana, the



TERRY BELL

The Star

FRIDAY MAY 4 2001

Privatising water fails – expert

By PRINCE HAMNCA

City Editor

International experience proved that Johannesburg's iGoli 2002 plan could collapse if the city continued to believe that privatisation was the only way forward to the efficient delivery of water services.

This was said by David McDonald, a leading international expert, who addressed a joint media briefing with the South African Municipal Workers Union yesterday.

McDonald said it appeared that the idea in South Africa was to privatise quickly, without looking at ways of restructuring the public sector.

"The public sector needs a radical transformation process. A transformed public sector will be able to address the

challenges of service delivery."

McDonald said recent research conducted by the Municipal Services Project in Buenos Aires, Argentina, had revealed that privatisation of water was a failure.

"The major shareholder in the Buenos Aires consortium is Suez Lyonnaise des Eaux, a large French multinational involved in the Johannesburg water privatisation."

He said one of the core arguments in favour of privatising municipal services is that it generates better public accountability, but the water concession experience in Buenos Aires had proved the opposite.

Johannesburg Water spokesperson Jameel Chand said the quickly had not been privatised, and operated as an independent entity.

Privatisation under attack

Academic fires salvo at companies

by JOY RUSSELL

YET another salvo in the war against privatisation was fired yesterday when a visiting academic revealed findings about a water company with South African connections.

Dr David McDonald, from the department of political studies at Queens University in Canada, was in Johannesburg to present the findings contained in a 37-page document titled the Municipal Services Project.

The document concerns research into the private water and sanitation concession in Buenos Aires in Argentina. The major shareholder is Suez Lyonnaise des Eaux (SLE), a company which

also has an interest in the provision of water and sanitation in Johannesburg.

The South African Municipal Workers' Union (Samwu) invited Dr McDonald to reveal the outcome of the research at a news conference yesterday.

The research showed a high percentage of sewerage in Buenos Aires is still dumped directly into the river system, makeshift septic tanks, cesspools, roads and open fields. He claimed Suez-Lyonnaise reneged on its promises to build a new treatment plant there.

The water table had now risen because of poor infrastructure, causing homes to flood and buildings to sink.

"The costs of this lack of sewerage investment in terms of environmental sustainability, public health and safety bring into question the argument that the private company is more efficient than the former public provider," said Dr McDonald.

The experience in Buenos Aires indicated private firms did not necessarily generate more capital than the public sector.

The bulk of the capital for infrastructure development in Buenos Aires had come from surcharges to end-users, and international financial institutions, financing options that could have been available to the public service, he said.

LETTER: HAPHAZARD APPROACH IS NO HELP

Business Day, 3 May 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Business Day*

I am glad that Patrick Bond has taken up the call to structure the debate about water issues (*Business Day* April 10), but his reply highlights the problem rather than taking us towards a solution.

Rather than taking the systematic approach I have proposed, he continues haphazardly to string together different issues to support his unwavering view that somehow, government is doing things wrong.

His first point is a good question: why do we not truck water to the 7-million people who do not have access to basic services? The answer is that, even if there were roads to these communities, trucking 25/ a person a day costs about 30 times more than supplying water via pipes.

It is in the public interest to use money as effectively as possible by providing basic infrastructure whose operational costs will be financially sustainable. This is also what most communities say they want.

But he does not follow up on the issue. Instead he jumps to resource and welfare economics. Why do we not calculate the ecological, public health and gender benefits of water supply to reinforce our budget requests?

Such exercises have often been done before and will doubtless keep economists busy for years but their calculations are open to endless challenge. Is there really any doubt about the need for services?

Prof. Bond then turns to a constitutional issue. Why, he asks, are we not doing more to control water cut-offs to poor households who do not pay.

Well, what are we doing? Effective local government depends on achieving financial responsibility on the part of consumers, and fair and ethical approaches by municipalities.

An appropriate culture is emerging, as evidenced by recent

court decisions in the Grootboom case in Western Cape.

Whether in development management, welfare and resource economics, public finance, constitutional law and water resource management, there are many substantial issues which South Africans have to address.

Interdisciplinary work has always been a challenge for universities seeking to be relevant to the real world and we would encourage the promotion of broad based approaches.

However, this will succeed only if there is the necessary intellectual rigour.

But the difficulty is demonstrated by Prof. Bond's random walk across the disciplines. Perhaps we should take one step at a time, one discipline at a time.

If Prof Bond is really concerned about the financial system for providing the basic water needs of the poor, he should perhaps start with a systematic understanding of the public finance and management issues and move forward from there.

Mike Muller Director-General Water Affairs and Forestry
Department

<http://www.bday.co.za/bday/content/direct/1,3523,841411-6078-0,00.html>

LESSONS FROM ARGENTINA

by David McDonald, *Cape Argus* 17 May 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact Cape Argus

Lyonnais des Eaux has come knocking on my door on two occasions. These French water companies have become too powerful to resist. The take-over is inevitable.

Interview with a senior water manager, Cape Town, July 2000

In 1993 the government of Argentina privatized the provision of water and sanitation in the city of Buenos Aires. This 30-year concession is the largest private water scheme in the world, servicing over 10 million people, and has been hailed as an international □ success story .

There has been considerable interest in the Buenos Aires water concession in South Africa as well, with at least two trips to Argentina by senior municipal managers and politicians in the past few years to assess its relevance for this country. Both groups gave glowing reviews.

The Buenos Aires situation is also important for South Africa because the major shareholder in the consortium is Suez Lyonnaise des Eaux, a large French multinational that is involved in the Johannesburg water management contract and is actively pursuing contracts in other parts of the country (as the opening quote to this article attests to).

Recently completed research by the Municipal Services Project in Buenos Aires paints a much less rosy picture, however. Although there have been some positive developments in terms of investments in infrastructure and the extension of services since 1993 there have been some major failures as well.

Perhaps the biggest problem is one of accountability. Despite the promise that privatization would make the water and sanitation operations of the city more accountable to the public, the Buenos Aires concession has done just the opposite. Starting with a Presidential Decree in 1989 which unilaterally declared that the city's water and sanitation services would be run by the private sector, all decisions about the extent and scope of privatization in these sectors have

been made behind closed doors. There was no public debate on the matter, with the first (and only) public consultation taking place in June of last year, seven years after the concession had started.

Of equal concern is the fact that the independent regulator set up to monitor the activities of the private company has been effectively marginalized by both the firm and by the national government, with the latter intervening on several occasions to over-rule decisions made by the regulator. Corruption may play a part here, but more important is the fact that Aguas Argentinas (the name of the private consortium) uses its financial and political clout to intimidate and ignore the regulator.

Rather than becoming more accountable to the public, Aguas Argentinas appears to have entrenched a process of secretive and questionable negotiating practices and has made no effort to open itself, and its long-term plans, to public scrutiny.

A second major concern is that Aguas Argentinas has failed to deliver on its promises of cheaper water and better accessibility for the poor. There was an initial 27 percent reduction in water tariffs immediately after Aguas Argentinas took over water delivery in 1993 but there have been five (controversial) price increases since then, resulting in a 20 percent increase in the price of water in real terms. It has even been suggested that the initial price decrease itself was misleading, with prices being artificially inflated by the government prior to privatization in order to make the private company look more efficient.

These price increases, and the costs of service extension more generally, have been borne disproportionately by the urban poor. As a result, non-payment rates for water and sanitation are as high as 30 percent, with service cut-offs becoming increasingly common.

Another concern is that sewerage infrastructure development has not kept pace with water delivery expansion (due in part to the fact that water delivery is twice as profitable for Aguas Argentinas as sewage treatment). Nor has Aguas Argentinas fulfilled its contractual obligation to build a new sewage treatment plant. As a result, over 95% of the city's sewage continues to be dumped directly into the Rio del Plata and households with new water services are often forced to dump their sewage into makeshift septic tanks, cesspools or directly onto streets and open fields. The groundwater equilibrium has been destabilized, buildings and pavements have started to

sink, and water borne diseases are a constant concern. Once again it is the poorest households that are most negatively affected.

The costs of this lack of sewerage investment in terms of environmental sustainability, public health and safety, and urban equity in Buenos Aires have not been fully measured but certainly bring into question the argument that the private company is more efficient than the former public provider. Nor do the arguments that private companies are able to generate more capital than the public sector hold in this case. The bulk of the capital used for infrastructure development and new connections in Buenos Aires water and sanitation have come from surcharges to end-users and international financial institutions financing options that could have been available to the public sector. Meanwhile, Aguas Argentinas has been making record profits in Buenos Aires: up to twice the international average and up to three times what water companies make in the UK on average.

In the end, it would appear that the private water concession in Buenos Aires has done little that a rejuvenated public sector provider could not have done, and has in fact exacerbated some of the worst socio-economic and environmental problems of the city.

David McDonald is Co-Director of the Municipal Services Project

NOT SO FAST ON PUBLIC UTILITIES

by Laïla Smith, *Business Day*, 15 April 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact *Business Day*

The plans under way to "corporatise" water and sanitation supply in Cape Town in the form of a public utility (DA hitches its wagon to commercialisation, April 4) are premature.

There is no question both sectors are in dire need of transformation. The water sector for the metropole has accumulated R522m in bad debts. Sanitation is backlogged to the cost of R2,4bn for capital investments to upgrade 20 waste treatment plants.

Dramatic reform is urgent to avoid serious environmental and social implications, such as high E.coli levels for the city's tourist-loving beaches.

Yet reform must be viewed in the context of Cape Town today. The recent amalgamation of seven substructures into one unicity has created a level of confusion in how best to manage a deeply divided city.

Corporatising water and sanitation, electricity and refuse removal in the context of such intense restructuring is particularly dangerous when it comes to creating a regulatory body to help craft and monitor the these utilities' activities.

Does local government, in this state of flux, have the capacity to monitor three large public utilities making up the bulk of revenue for the public purse? Even senior officials driving this process admit local government's regulatory capacity is still a neglected area.

A move to set up an institutional framework for reform under the guise of running services more "efficiently and effectively" defeats the purpose if the steps to do so are taken too quickly.

While the recent amalgamation process has occurred at an administrative level, it has not yet succeeded in integrating the data systems of the six municipalities into a unified structure. Without a metropolitan-wide perspective, how can the unicity possibly set out performance targets for a new utility?

Customer relations between service providers and service users are a calamity, especially in previously disadvantaged areas.

A bill has become the symbol of communication between local government and citizens. However, to many low-income households, service bills are incomprehensible.

The sense of disempowerment stems from inability to pay mounting arrears, a billing system hard to grasp and confusion about who to turn to, for queries about incorrect readings and billing statements.

These constraints have left many households living below the poverty line with a sense of helplessness in trying to get out of the situation of indebtedness.

Local government's response to apartheid's residue of a spatial mismatch between residential location and job creation has been one of increasing levels of cut-offs to people who cannot afford to pay for their services. In the fiscal year 1999-2000 alone, 35 587 metropolitan area. households had their water cut off.

When an area like Khayelitsha has a nonpayment rate of 90% for water, cut-offs are not a sustainable strategy for credit control policies. Senior officials in the water and sanitation sector in Cape Town tout the importance of turning to a public utility to ensure "greater equity and more rigid credit control policies". Will such policies, by more water cut-offs, be the defining motto for the customer relations department of the new utility? If this is the case, a local version of the KwaZulu-Natal cholera epidemic may soon visit the Cape Flats.

The fabricated sense of urgency to move to a public utility as the only possible reform for the water and sanitation sectors connotes a concentration of power in decision-making processes.

It removes council, a body representing citizen interests, from direct involvement in the shaping of one of the most critical areas of service delivery.

There is no quick fix to this dilemma. The breakdown in communication between local government and low-income citizens is linked to the historical exclusion of many of these communities from decision-making processes in how services were and are delivered.

Without greater public involvement, the level of co-operation from communities that have been historically excluded will be minimal.

Smith is a research associate for the Municipal Services Project, run jointly by Wits and Queens University of Canada.

SIMPLE STEPS NEEDED TO DEAL WITH WATER APARTHEID

by Patrick Bond, *Business Day*, 10 April 2001

PLEASE NOTE:

Readers wanting to reproduce and reference this article should contact *Business Day*

Water director-general Mike Muller (*Business Day*, April 9) calls for a more structured debate about the various water disasters still unfolding. Right, then: many observers want to know why these simple steps cannot be taken by government:

Deliver emergency supplies to all who are now without access, even by water tanker and trucks, especially in the cholera belt;

Urgently calculate the benefits of better public health, ecological sustainability and gender equity, to justify dramatic new water-system maintenance subsidies;

Likewise, raise minimum sanitation standards from current inadequate pit-latrines levels (which are responsible for E.coli found last month in even Sandton's water table);

Do not stand idly by while water is cut off to low-income people by heartless bureaucrats: implement long-delayed regulations under the 1997 Water Services Act that impose not just minimal standards 50/ a person a day was the medium-term reconstruction and development programme promise but that gives your minister power to sort out municipalities behaving unconstitutionally (ranging from cholera epicentre Ngwelezane to Hermanus to Johannesburg);

Immediately impose charges on hedonistic users of raw water (commercial farmers, mines and corporations), as allowed in the National Water Act of 1998, so as to make up for subsidy shortfalls when the treasury yet again underfunds smaller municipalities unable to cross-subsidise for free lifeline services;

Follow local and international nongovernmental organisations' advice, in the wake of the World Commission on Dams study, by imposing a moratorium on construction of the exorbitant Lesotho dams, and delay the phase two dam (by decades) until adequate demand-side management measures are

adopted.

Prohibit the "cherry-picking" that is a universal problem in water privatisation and commercialisation, including Eastern Cape pilots; and

Redraft the free basic water policy to remove all ambiguity and redistribute more decisively, so as to finally reverse SA's worsening water apartheid.

Without radical changes, the Rio+10 World Summit on sustainable development in Sandton next September will be a showcase only for SA's shame, for Johannesburg's "E.coli 2002" water commercialisation, and for more unnecessary cholera deaths next door in Alexandra.

Patrick Bond Wits University

<http://www.bday.co.za/bday/content/direct/1,3523,828482-6096-0,00.html>

ON THE ROAD TO DISASTER?

Mail & Guardian, 5 April 2001

PLEASE NOTE:

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"Water contract won't mean job losses" (David Le Page, M&G 2-8/3) hid the truth about Suez-Lyonnaise, the multinational company that Johannesburg Unicity just privatised the city's water to. The article gave the company's spokesperson, Jameel Chand, free reign to make unchallenged and untrue assertions about the company's very poor track record. Chand, formerly the council spokesperson, claims that in Johannesburg, municipal workers have a 3 year job guarantee, and that in Buenos Aires, Suez-Lyonnaise has cut water prices by 30%.

The three year job guarantee is publicly known to be a sham. Already some workers have been retrenched or told to re-apply for their old jobs. The pension funds of all the workers are in limbo. At Metro Gas, a two (not three) year job guarantee emerged from out of the blue. In Buenos Aires, almost half the workforce - 3 600 people - were fired during privatisation. We foresee the same job losses very soon in Johannesburg.

Chand falsely asserts that Suez-Lyonnaise brought down water prices in Buenos Aires by 30%. Even the company itself only claims to have reduced tariffs by 26.9%!

Both are untrue. In the run-up to privatising the water of Buenos Aires in May 1993, the government increased water tariffs drastically. Prices shot up by 25% in February 1991 and then by another 29% in April 1991. A year later, a special tax of 18% was added to water bills. A few months prior to privatisation another 8% increase was granted.

"The effect of these increases was to allow the company in 1993 to offer what seemed to be a 27% decrease in costs. In reality it was a manufactured reduction," say Dr David McDonald and Alex Loftus, researchers at the Municipal Services Project which is based at Queens University, Canada.

This strategy is no secret to government officials. It is recommended openly by the World Bank. In a July 2000 World

Bank publication on the Manila, Philippines water concession, there is a chapter entitled "Need to have bids lower than the existing water tariff". Mark Dumol, a Filipino government official, writes that five months before the bid submission, the water tariffs were increased by about 38 percent. This gave the government a greater chance that the bids would be lower. It also fuelled the myth that the public sector is expensive, inefficient and that privatised water would be cheaper.

Buenos Aires' 30 year privatisation deal was signed under the National Administrative Reform Law which declared a state of economic emergency on the provision of public services. The law authorized the "partial or total privatization or liquidation of corporations totally or partially owned by the State." Through such a decree the Buenos Aires water and sewerage network was privatised without public consultation. This would fly in the face of the South African Constitution and the Bill of Rights!

The lives of the poor have been made unbearable by the company. To connect to water, citizens must pay an Infrastructure Charge of between US\$43 and US\$340 for water. The infrastructure charge for sewerage is US\$572 for everyone, irrespective of economic status. A connection fee is also charged. Water services cost a further US\$ 6 every two months and tax was charged on top of this. "Not surprisingly, many households were simply unable to pay such costs and remained unconnected. In the poorer areas of the city, average household incomes are in the range of US\$ 200 - 245 a month," say Loftus and McDonald.

The people have not only been denied access through economic constraints but they now face environmental hazards. The company failed to meet its sewage treatment targets by the end of the first year period," say McDonald and Loftus. The result is that although the network of sewerage has been expanded marginally, sewage collected is simply being dumped raw into the Rio del Plata by an outlet pipe 2.5 km long. This is a serious problem.

Apart from these, the company also broke their contractual agreement that there would be no price increases in the first ten years, and increased prices four times within the first five years. In 1997, when they successfully re-negotiated their contract to allow for a universal surcharge - more profit! The company was allowed to re-negotiate its contract because it argued it would incur 15% extra in unplanned costs through extending the water to poor communities.

A pattern is likely to be repeated here. Johannesburg has many very poor communities that still lack access to water. It is doubtful that any provision for extension of water into these communities has been made. The privatisation of Johannesburg's water was a rushed and secretive process. The company's bid was accepted although it was so low that they can never make a profit. Reputable organisations like the Rand Water Board say that a re-negotiation of the contract by shrewd company lawyers is imminent. This means cost-cutting - possibly on staff or health and safety expenditure. It also means tariffs increases are inevitable. Is this is what the citizens of Johannesburg can look forward to?

THE BENEFITS OF LIFELINE WATER BEING IGNORED

by Patrick Bond, *Mail & Guardian*, 29 March 2001

PLEASE NOTE:

Readers wanting to reproduce and reference this article should contact *Mail & Guardian*

What kind of a commodity is water? With extreme scarcity predicted by 2020, should individuals and firms be reduced to buying and selling water on an open market?

The case for water trading, made by Roger Bate of the Institute of Economic Affairs in London in Business Day yesterday, is premised on accurate costing of water services from raindrop all the way to effluent treatment.

The water pricing policy adopted by the water affairs and forestry department in 1998, and the powers given the minister, Ronnie Kasrils, in the National Water Act, reflect the respect government shows for economic efficiency in water utilisation.

But a fatal flaw has emerged in government's strategy: systematically ignoring the benefits of water. Nor, surprisingly, does Bates bother to mention "public goods" and "merit goods" disease abatement, gender equity, desegregation and economic multipliers - that flow from a nationally subsidised, administratively managed universal lifeline water supply.

From obscure KwaZulu-Natal rural councils to the Johannesburg offices of a consultancy firm that supplied Pretoria with its draft "Free Basic Water Initiative" policy at a national workshop on Tuesday, the benefits of lifeline water are being ignored.

Residents of Ngwelezane, Empangeni, lost access to the free supply they had enjoyed since 1983. "It was eventually noticed, and it was decided to switch off the supply," Uthungulu regional council CE BB Biyela told the media.

Thousands who could not afford the R51 connection fee were forced to the rivers, as Ngwelezane became the epicentre of a cholera outbreak that has infected nearly 80000 people and killed at least 150.

The tens of thousands of rands that Biyela anticipated saving Uthungulu Council cost society, not just those sickened and killed, untold millions.

Questioned about the disaster on the SABC Newsmaker show in January, water affairs director-general Mike Muller conceded: "Perhaps we were being a little too market-orientated."

But after this understatement of the year, reports continued of municipal water cut-offs due to inability to pay.

The prize-winning Western Cape municipality of Hermanus, once famous for water access and conservation, ditched its Working for Water commitments and began evictions and attachments of poor people's homes to offset their water arrears.

Johannesburg officials began cutting water services due to electricity account arrears, in a move experts say is constitutionally suspect.

Although he may be armed and dangerous with his Jik, shovel for pit latrines and selfhelp philosophy, Kasrils inexplicably refuses to fight antisocial bureaucrats, some of whom are brazen about their objectives.

The World Bank's Sourcebook on Community Driven Development in the Africa Region argued audaciously that "work is still needed with political leaders in some national governments to move away from the concept of free water for all".

The bank document appeared shortly after Kasrils first announced the free water policy in February 2000. Fourteen months later, a final policy has still not been produced.

Tellingly, the consultancy that authored the water affairs department's current draft has been the most effective lobbying force against free lifeline water.

Free lifeline water has been anathema to officials, consultants and suppliers. In 1994, government's first water white paper redefined a "lifeline" tariff as covering operating and maintenance costs, which doomed hundreds of rural water schemes.

In a 1999 review the World Bank praised its own 1995 intervention in the water pricing debate as "instrumental in

facilitating a revision in SA's approach to bulk water management."

The damage went even deeper, to the retail level, where the bank advised Pretoria that privatisation "would be much harder to establish" if poor consumers had the expectation of a subsidised water supply, and hence that Pretoria needed a "credible threat of cutting service".

Together, the market-orientated cost-recovery philosophy and bureaucrats unable to shift from inhumane apartheid-era practices are sabotaging the politicians.

"ANC-led local government," the ruling party's manifesto for the December 2000 municipal elections promised, "will provide all residents with a free basic amount of water, electricity and other municipal services, so as to help the poor. Those who use more than the basic amounts will pay for the extra they use."

Such a cross-subsidy is sensible, and was endorsed by Business Day and copied by even Democratic Alliance politicians like Peter Marais.

But the devils in the detail have poked their horns up through the draft policy: "the view of government is that municipalities should keep tariffs to commercial and industrial consumers as cost reflective as possible (no cross subsidies)."

Muller has also insisted that no additional national subsidy funds are available to make good on the water promise, though conspicuously absent from the draft policy is any mention of the need to tax the abuse of water by commercial agriculture.

In addition to revising the inadequate new policy, Kasrils has the other urgent duty of halting the ongoing spread of cholera, using defence force tanker supplies to those with no access.

But maybe he misplaced Defence Force's orders for trucks in his haste to buy corvettes.

Maybe dragging a trailer loaded with water drums would be better use for a DaimlerBenz 4x4 than occupying Tony Yengeni's garage.

And maybe the poor will one day get the promised free water.

[Bond lectures at Wits and is codirector of the Municipal

SAMWU SLATES HERMANUS WATER CONSERVATION PROJECT

Sapa 28 March 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact Sapa

The Greater Hermanus Water Conservation project has significantly contributed to the suffering of communities living there, the South African Municipal Worker's Union said on Wednesday.

The project - initiated by the Department of Water Affairs and the Hermanus council about three years ago - was implemented to use Hermanus as a role model for efficient and effective water service delivery for all.

SAMWU representative Hameeda Deedat said research conducted by the union in conjunction with the International Labour Research and Information Group, proved that the project was failing in its objectives because most poor communities were bearing the brunt of service deterioration.

Deedat said the project's mandate of the rich paying more for water in an attempt to stop water wastage and provide a level of water to the poor, was failing dismally because poor people were having their water cut off because their accounts were in arrears.

"The programme was... to address issues... how is it addressing the inequalities of the past?" she said.

She said most of the Hermanus communities were living in abject poverty where people could not afford to pay for water. She said the municipality followed cost recovery procedures which worsened the situation.

The procedures state that if a family cannot not pay their water account, the council blocks their water and they only receive three litres per day.

"People are given seven days in which to pay and if they don't pay, their water is cut off, along with their electricity, even if they have money on their electricity metre," she said.

The council then sends someone to attach their assets and if

there is still money owing, their houses are auctioned.

SAMWU official Lance Veotte echoed Deedat's statements and said that water was a basic human need which made it a basic human right.

"What is clear is that water is being used and will continue to be used as a power tool for oppression of the poor," he said.

SAMWU suggested that government implement strategies that were less broad and that narrowed the power of the municipal government so that services could be rendered to the poor.

The report will be forwarded to Water Minister Ronnie Kasrils' offices.

It's time to debunk the urban myth of South Africa's culture of non-payment

DAVID McDONALD

- URBAN legends have a life of their own and are never easy to extinguish.
- One of the most durable of these in the new South Africa is the notion of a culture of non-payment – the idea that township dwellers do not pay for services like water and electricity because of the legacy of the anti-apartheid payment boycotts of the 1980s.

Many an indignant letter-to-the-editor from middle-class suburbanites laments this culture of non-payment and is generally followed by an impatient plea to "get those people to pay their bills because I'm tired of subsidising them".

But it is not just the chattering classes that complain. Governments at all levels make the same comments about non-payment and have developed ingenious campaigns to get

township folk to pay up (eg the Masakhane campaign, lottery prizes for paying on time, etc).

The problem with these perceptions is that they are not grounded in the reality of post-apartheid life. To be sure, there are some township residents who do not pay for their services because they feel they can get away with it, but the vast majority of payment defaults are a result of an inability to pay, not an unwillingness to pay.

In a report to be released next week by the Municipal Services Project it is shown that poverty is the most important factor when it comes to non-payment.

Moreover, most low-income households keep careful records of their service bills, know exactly how much they owe and are deeply concerned about how they are going to pay their current bills and arrears

(with the latter being as high as R30 000).

This is hardly the behaviour of a person steeped in a culture of non-payment.

The same applies to Cape Town. Research here reveals a desperate situation where families are forced to choose between paying their service bills and buying food.

Some households simply do not use the water and electricity supplies they fought so hard to get connected to because they cannot afford to pay for them and do not want to accumulate arrears or have their services cut off.

And cut off they are. Thousands of low-income households have had their water and electricity disconnected for non-payment of bills in Cape Town since the end of apartheid. Close to 100 000 households have had their water cut off

alone between 1996 and 2001 – sometimes for months on end – with thousands more slated for disconnection.

People are being evicted from their homes, having their property re-possessed, and being threatened

THE DEBATE

Join the debate: e-mail contributions to debate@ctn.independent.co.za

with expensive and time-consuming legal action – all because they cannot afford to pay for the essentials of life.

Free services may be having some impact on service affordability and disconnections, but there is no research to definitively argue the point either way as yet.

What can be said is that the low

volumes of water and electricity being offered for free make a minor difference to household budgets in township areas, while leaky infrastructure, continued disconnections, and non-delivery for households in arrears means that thousands still go without the benefits of the free services policy.

But here is the real irony of the situation. If there is a culture of non-payment in this country (and in this city) it is with middle- and upper-income households.

For decades, suburban households and industry enjoyed some of the most heavily subsidised and highest quality municipal services in the world. Per capita spending in these areas in the 1970s and 1980s exceeded that of most European countries. Much of this was done at the expense of black rate payers whose taxes and service payments went into subsidis-

ing suburban infrastructure.

Suburbanites continue to benefit from a highly skewed distribution of municipal resources (a hidden subsidy in effect) while property rates continue to bias against township homeowners and tenants.

Meanwhile, the largest single defaulters in the city are private businesses, accounting for a third of the R2.1 billion service debt that is outstanding to city council.

The new property valuation system will hopefully go some way to addressing the need for a more equitable taxation system, along with new tariff structures and cross-subsidisation mechanisms for water and other services.

But if the letters-to-the-editor in this and other newspapers in the city are any indication of the resistance that the new property rates system will meet in middle- and upper-

income neighbourhoods, even in the form of revenue rationalisation, fall short of meeting its equity tives.

Well-to-do South Africans never paid the full costs of municipal services in this country – economically, socially or environmentally seems odd, then, that they would be so adamant about having low-income families pay their own way.

The choice is an easy one. If Cape Town continues on its path of exclusion and tough medicine, those who cannot afford to buy way into the new South Africa, citizens start to share the wealth which a truly sustainable form of governance can be built.

● Prof David McDonald is director of the Municipal Services Project and editor of the recently published *Environmental Justice in Africa* (UCT Press).

REPORTING A BITTER TASTE TO THE HERMANUS WATER PROJECT

by Terry Bell, *Business Report* 23 March 2001

PLEASE NOTE: Readers wanting to reproduce and reference this article should contact Business Report

Yesterday was World Water Day and the government, local authorities and the department of water affairs called for celebrations. They did so because of the claim that clean water is now more accessible and affordable for the poor.

At the same time, the major municipal workers' union, Samwu, called for a day of mourning. It did so because the latest research indicates that water is less accessible and affordable to the poor, especially in regions such as Africa.

Samwu pointed out that each year five million children die as a result of drinking unsafe water. In South Africa, the cholera outbreak which has affected some 70 000 people, began in an area where water supplies were cut off for non-payment.

Now it seems that the union case will receive a further boost by the end of the month with the publication of a research report on the Greater Hermanus Water Conservation Project (GHWCP). This has been promoted as the flagship project of the government's water policy.

In 1997 it was hailed by the minister of water affairs, Kader Asmal. He declared that the success of Hermanus should be emulated by other authorities.

"My sense is that with a little luck and a great deal of effort, we are on the brink of a substantial mindshift in water management in South Africa," he said.

Ronnie Kasrils, the present minister, expressed similarly laudatory views in November last year. Hermanus, he noted, was a model conservation project that had made water "more affordable to the poor".

But it seems the ministers were mistaken. Far from being a model project, the GHWCP has left a legacy of bitterness among the people it was supposed to benefit most.

The apparently contradictory aims of full cost recovery,

conservation and better, more affordable access to the poor were not met. This is spelled out in the research report.

Scheduled for publication later this month, it was prepared by the Cape Town-based International Labour Research and Information Group (Ilrig). It concludes diplomatically: "It is difficult to defend the GHWCP as a policy which promotes equity."

Commissioned by the Municipal Services Project of Witwatersrand University and Queen's University in Canada, the report looked at the Hermanus water project "from the standpoint of the poor majority of the municipality". These people, the workers and unemployed of Hawston, Mount Pleasant and Zwelihle, have a decidedly jaundiced view of the GHWCP.

The much touted "Working for Water" (WFW) project also comes in for fierce criticism. Many of the less advantaged residents dismissed this attempt at providing the unemployed with water conservation work as "Working for Whites".

WFW provided mainly women from the poorest areas with low-paid manual work clearing water-hungry alien vegetation. Their efforts were highly commended and probably contributed toward a greater availability of water in the area.

But many of the women who hacked out the invasive vegetation still do not have access to clean, piped water. Instead, they have noted that better services have been extended to the affluent "holiday home" area of Vermont.

According to the report, additional revenue of R1,5 million generated over three years by the GHWCP was used to extend the pipeline in Vermont. This action was taken unilaterally by Hermanus city treasurer Nico Barnard who also stopped financing the GHWCP.

Barnard, in line with the "user pays" argument, was critical of the WFW scheme. He maintained that it should "employ people with the intention of providing them with the financial means to pay for services or their arrears". Council should have the ability to deduct money from these earnings.

In common with poor townships around the country, disadvantaged people in the Hermanus area often have service arrears dating back to the time when withholding payment was part of the struggle against apartheid. A draft of the research report, compiled by a team led by Ilrig researcher Hamed

Deedat, noted that this "contribution to the struggle" was now disparaged as a "culture of non-payment".

The simple fact was that many of the people could not pay for current services, let alone arrears. As a result, the council was using the tactic of cutting off services in an attempt to force payment.

When this failed, family possessions were seized. Finally, people were evicted and their homes sold by auction, despite the fact that these actions were probably unconstitutional and, therefore, illegal.

"But this is not just a problem in Hermanus or the Western Cape. It is happening in other parts of the country as well," said Roger Ronnie, the general secretary of Samwu.

"Cost recovery policies and privatisation are causing still greater suffering for the poor."

LETTER: KEEP THE FACTS STRAIGHT IN THE WATER DEBATE

by Mike Muller, *Mail & Guardian*, 9 March 2001

PLEASE NOTE:

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contact *Mail & Guardian*

Patrick Bond's vigilance (March 28) in the water sector is appreciated, although we would prefer a more structured debate to keep the facts straight.

First, of course government is aware of the benefits of providing basic water services. This is why more than R1,6bn of this department's budget is allocated to the purpose annually.

Second, we have never said that there is no additional money to make good on the water promise. However, no case for new money can be made until it is clear that existing funds are being properly used.

Finally, our "demand-led" sanitation policy supports households and communities which request help to improve their sanitation. The cholera in KwaZulu Natal has forced us to reappraise (our current) approach.

Mike Muller Director-General Water Affairs and Forestry

APPENDIX D
SERVICES FOR ALL?
CONFERENCE HIGHLIGHTS

The Johannesburg conference will inspire and allow the sharing of experiences and views. The *New Social Movements Film Festival* will be launched at the Horror café on 15th May at 6pm. It will feature new documentaries that make the links between local and international campaigns for water, electricity and a decent environment.

The Soweto festival will use art, drama, poetry and dance to both entertain and highlight community struggles on services.

Join us from 15-18 May in Johannesburg.

**For further information, please contact
Greg Ruiter (064greg@muse.wits.ac.za)
(phone 2711-717-4373)**

**or Patrick Bond (bond.p@pdm.wits.ac.za)
(phone 2711-717-3917)**

(Partners include: SA Municipal Workers Union,
UCT International Labour Research and Information Group,
Canadian Union of Public Employees,
International Forum on Globalization,
Focus on the Global South, and Queens University
Department of Development Studies,
speakers are from Australia, Bolivia, Britain,
Canada, Ghana, India, Kenya, Mexico,
Palestine, the Philippines, Swaziland, Thailand,
the US, Zambia, Zimbabwe.)

(Financial support from the Canadian International
Development Research Centre is gratefully acknowledged.)

Services for All?

The "New" South Africa and the World Summit on Sustainable Development

A Conference of Local and International Research
Relevant to Social-Justice Strategies and Struggles of
Labour, Communities, Women and Environmentalists

15-18 May 2002, Johannesburg

at Wits University Graduate School
of Public and Development Management
in Parktown, the Horror Café in Newtown,
and Diepkloof in Soweto



Municipal Services Project

The Municipal Services Project (<http://www.queensu.ca/msp>)

Services for All? Conference and Festival

and An Open Seminar on the WSSD

Programme of Events, 16-19 May

TIME and PLACE	EVENT and PRESENTERS
THURSDAY, MAY 16 5PM (WITS P&DM AUDITORIUM) BRIEFING: THE STATE OF SOUTH AFRICAN STRUGGLES FOR STATE SERVICES	Welcome: Greg Ruiters (Wits MSP) and David McDonald (Queens MSP) Chairperson: Virginia Setabedi (AIDC) 1) Fatima Meer (Concerned Citizens of Chatsworth): Post-Apartheid Social and Economic Justice 2) Mark Heywood (Treatment Action Campaign): Teaching the State its Responsibilities 3) MP Giyosi (Jubilee South Africa): Struggle for Debt Cancellation 4) Commentator: Nicola Bullard (Focus on the Global South, Bangkok)
7-10:30PM (P&DM AUDITORIUM, FIRST FLOOR AND TENT OUTSIDE THE E.OPPENHEIMER HOUSE)	DINNER, CONTINUATION OF NEW SOCIAL MOVEMENTS FILM FESTIVAL, HIGHLIGHTING SA GRASSROOTS LABOUR AND ENVIRONMENT DOCCIES
FRIDAY, MAY 17	
9-11AM (P&DM AUDITORIUM) PLENARY: AGAINST GLOBAL NEOLIBERALISM	Announcements and Welcome to Delegates: Patrick Bond (Wits MSP) and Trevor Ngwane (SECC) Chairperson: Dinga Sikwebu (National Union of Metalworkers of SA) 1) Maude Barlow (Council of Canadians): The Blue Planet Project versus Gats/WTO 2) Oscar Olivera (Coordination in Defense of Water and Life, Cochabamba): The Water is Ours, Damn It! 3) Patrick Apya (Citizens Against Privatisation, Ghana): Resisting World Bank-driven Privatisation 4) Colin Leys (Socialist Register): Transcending State Impotence
11-11:30AM	Tea break
11:30-1PM (P&DM, FIRST FLOOR)	FIRST WORKSHOPS: NEO-APARTHEID SERVICES?
WORKSHOP 1A: WATER PROFITEERS COME TO SA 1) Greg Ruiters (Wits MSP): Suez's Pilots in the E.Cape 2) Amanda Gillett (Wits MSP): Biwater in Nelspruit 3) David Hemson (HSRC MSP): Saur and Dolphin Coast 4) Commentator: Anna Weekes (Samwu)	WORKSHOP 1C: COST RECOVERY FETISHES 1) David McDonald (Queens MSP): Cost Recovery Overview 2) Hameda Deedat (Ilrig MSP): Cost Recovery in the Northern Cape 3) Ismael Peterson (Tafelsig Anti-Evictions Campaign): Resistance in Tafelsig 4) Commentator: Kate Bayliss (Public Services Int'l Research Unit)
WORKSHOP 1B: CORPORATISED MUNICIPAL WASTE 1) Franco Barchiesi (Wits MSP): Johannesburg Waste Outsourcing 2) Mthetho Xali (Ilrig MSP): Billy Hattingh in Khayelitsha 3) Andre Adams (Samwu): Corporatising CT's Waste 4) Commentator: David Barkin (Zapatista advisor and waste expert, Metropolitan Autonomous University of Mexico)	WORKSHOP 1D: WATER PRIVATISATION IN SOUTHERN AFRICA 1) Rekopantswe Mate (University of Zimbabwe MSP): Harare 2) Horacio Zandamela (Wits MSP): Maputo 3) Karen Cocq (MSP independent researcher): Lusaka 4) Thenjiwe Shimbira (University of Swaziland MSP): Mbabane 5) Commentator: Donna Andrews (Southern African People's Solidarity Network)
1-2PM (E.O. HOUSE TENT)	Lunch for Registered Delegates
2-3:30PM (P&DM, FIRST FLOOR)	SECOND WORKSHOPS: SERVICES, AT WHAT COST?
WORKSHOP 2A: GAUTENG WATER WARS 1) Rob Rees (Samwu): Privatisation Trends in Gauteng 2) Becky Himlin and Mzwanele Mayekiso (Wits MSP): Ekurhuleni Water 3) Peter McGinnes (Wits MSP): Tshwane Water 4) Commentator: Tony Clarke (Polaris Institute, Ottawa)	WORKSHOP 2C: PUBLIC SERVICES, HUMAN RIGHTS AND THE LAW 1) Tbeunis Roux (Wits Law): Legal Constraints and Strategies 2) Glenn Farred (Community Legal Centres): Defending against State Repression 3) Heinrich Boehmke (Concerned Citizens): The Durban Experience 4) Commentator: Sara Grusky (Public Citizen, Washington)
WORKSHOP 2B: INTERNATIONAL ANTI-COMMODIFICATION CAMPAIGNS 1) Anis Daraghama (Palestine and UCT): Water in a WarZone 2) Alex Loftus (Oxford University): The Rise and Fall of Privatisation in Buenos Aires 3) Rhada D'Souza (University of Waikato): Conflicts over Water Commodification in India 4) Karen Bakker (Oxford University): Fighting Back in England and Wales 5) Commentator: Nicola Bullard (Focus on the Global South, Bangkok)	WORKSHOP 2D: WATER EQUITY VERSUS COST RECOVERY 1) John Pape (Ilrig MSP): Hedonistic Consumption in Constantia 2) Grace Khunou (Wits MSP): Experiences from Diepkloof, Soweto 3) Mthetho Xali (Ilrig MSP): Water Cut-offs in Khayelitsha 4) Commentator: Maude Barlow (Council of Canadians)

3:30-3:45PM	Tea break
3:45-5:15PM (P&DM, FIRST FLOOR)	THIRD WORKSHOPS: <i>STRUGGLES FOR SERVICES</i>
WORKSHOP 3A: UNIONS V. PRIVATISATION 1) Victor Mhlongo (Samwu): The Samwu Strategy 2) John Appolis (Coastu/Gauteng): Organising Lessons 3) Jane Stinson (Canadian Union of Public Employees): Canadian Experiences 4) Commentator: Oscar Olivera (Defence of Water and Life)	WORKSHOP 3C: ENGENDERING SERVICE DELIVERY 1) Melanie Samson (Samwu): Overview of Issues and Struggles 2) Virginia Setshedi (AIDC): Women in Community Struggles 3) David Hemson (HSRC): Women and Rural Water 4) Commentator: Karen Bakker (Oxford University)
WORKSHOP 3B: COMMUNITIES V. DISCONNECTIONS 1) Speakers from Limpopo Province, Katorus, Mpumalanga, Tembisa, Alexandra, Itageng and/or the Vaal: Status of the Local Struggles 2) Commentator: Medha Patkar (National Alliance of People's Movements)	WORKSHOP 3D: HEALTH EQUITY AND MUNICIPAL SERVICES 1) Thumida Maistry (Equinet): The Equinet-MSP Agenda 2) Mandisa Mbali (UND Centre for Civil Society): KwaZulu-Natal Experiences 3) Eddie Cottle (RDSN), Water Neoliberalism and Cholera 4) Mike Davies (Combined Harare Residents Association): Services and Health in Harare 5) Commentator: Patrick Apoya (CAP, Ghana)
5:30-9PM (P&DM AUDITORIUM, FIRST FLOOR AND E.O.HOUSE)	RECEPTION, DINNER, CONTINUATION OF <i>NEW SOCIAL MOVEMENTS FILM FESTIVAL</i> , HIGHLIGHTING INTERNATIONAL SOCIAL JUSTICE DOCCIES
SATURDAY, MAY 18	
9-10:30AM (P&DM AUDITORIUM) PLENARY: ALTERNATIVES FOR SA AND THE WSSD: LABOUR-COMMUNITY-WOMEN- ENVIRONMENT	Chairperson: Dennis Brutus (Jubilee South Africa) 1) Medha Patkar (National Alliance of People's Movements, India): Linking the Issues and Campaigns, Locally and Globally 2) Daniel Chavez (TransNational Institute, Amsterdam): Porto Alegre 3) Njoki Njehu (50 Years is Enough): Struggles Against World Bank-Catalysed Services Commodification 4) Commentator: John Pape (Ilrig MSP)
10:30-10:45AM	Tea break
10:45-12:15PM (P&DM AUDITORIUM)	FOURTH WORKSHOPS: <i>NEXT STRATEGIES/TACTICS</i>
WORKSHOP 4A: RECLAIMING OUR STATE SERVICES 1) Kate Bayliss (Public Services Int'l Research Unit): International Experiences 2) Lance Veotte (Samwu): South African Debates 3) David Hemson (HSRC): Municipal Collectivism 4) Commentator: Marina Carmen (Australia Democratic Socialist Party)	WORKSHOP 4C: RESURRECTING PROGRESSIVE LOCAL PLANNING 1) Anne-Marie Debbae (York U.) and Hamed Deedat (Ilrig MSP): Is Hermans a Model for Water Services? 2) David Barkin (Autonomous University of Mexico): Mexico's Grassroots Success Stories in Environmental-Economic Planning 3) Patrick Bond (Wits MSP): Local Economic Development Debates 4) Commentator: Shiney Varghese (Institute for Agriculture & Trade Policy)
WORKSHOP 4B: SERVICES FOR ALL IN SA 1) George Dor (AIDC): Local-Global Connections 2) Andre Adams (Samwu): Labour-Community Alliances 3) Bongani Lubisi (SECC/APF): Johannesburg as a Site of Struggle 4) Commentator: Jane Stinson (CUPE)	WORKSHOP 4D: ENVIRONMENTAL JUSTICE AND THE WSSD 1) Tony Clarke (Polaris Institute): Alternatives to Market Environmentalism 2) Tandeka Nkiwane (Smith College): Nepad and the WSSD 3) Debi Barker (Int'l Forum on Globalization): An Alternative WSSD? 4) Commentator: David McDonald (Queens MSP)
12:30-12:45PM (P&DM AUDITORIUM) PLENARY: CONFERENCE WRAP-UP	Announcements, Thanks David McDonald (Queens MSP), Trevor Ngwane (SECC)
12:45-2PM (E.O.HOUSE TENT)	Light lunch for Registered Delegates and travel to Soweto
2-5PM (DIEPKLOOF, SOWETO)	FESTIVAL, STREET THEATRE, DISPLAYS, MUSIC
SUNDAY, MAY 19 9AM-3PM OPEN SEMINAR ON THE WSSD P&DM Auditorium	Join us for critical seminar-style discussions about the WSSD, exclusively addressed by international experts and activists. The event will not focus on strategy but rather analysis, and will be chaired by Yash Tandon (Southern and East Africa Trade, Information and Negotiations Initiative, Harare), Nicola Bullard (Focus on the Global South, Bangkok), and Debi Barker (International Forum on Globalization, SF). The presenters will address both form and content, give historical context, discuss the rise of the movements for global justice, and provide information about events being planned around the world to press for social and environmental change. To attend this free seminar, please reserve a place through Jenny at (011) 646-1181.

INTERNATIONAL GUESTS

The Conference brings together local academics, activists, intellectuals and community members who will share their knowledge and experiences with the following international guests (in no particular order):

Medha Patkar (National Alliance of People's Movements, India)
Maude Barlow (Council of Canadians, Ottawa)
Oscar Olivera (Defence of Water and Life, Cochabamba)
Colin Leys (Socialist Register)
David Barkin (Zapatista advisor, National Autonomous University of Mexico)
Tony Clarke (Polaris Institute, Ottawa)
Kate Bayliss (Public Services International Research Unit, London)
Sara Grusky (Public Citizen, Washington)
Patrick Apoya (Citizens Against Privatisation, Ghana)
Nicola Bullard (Focus on the Global South, Bangkok)
Jane Stinson (Canadian Union of Public Employees)
Lidy Nacpil (Freedom from Debt Coalition, Manila)
Debi Barker (Int'l Forum on Globalization, SF)
Simon Retallack (The Ecologist, London)
Dennis Brutus (Jubilee South Africa)
Daniel Chavez (TransNational Institute, Amsterdam)
Rhada D'Souza (Indian academic)
Njoki Njehu (50 Years is Enough)
Marina Carman (Australia GreenLeft Weekly)
Karen Bakker (Oxford University)
Tandeka Nkiwane (Smith College)
Alex Loftus (Oxford University)
Yash Tandon (Seatini, Harare)
Shiney Varghese (IATP, Minneapolis)
David McDonald (Queens University)



Report on South African Conference on "Services for All ?" Organized through the Municipal Services Project

May 11 to 22, 2002, I travelled to South Africa to represent CUPE at a conference in Johannesburg called "Services for All ?", organized through the Municipal Services Project. The conference looked at the impact of privatization of municipal services: water and sewage, power, and garbage services, and peoples' response to this privatization.

The Municipal Services Project is an international solidarity project that CUPE participates in with other partner organizations. It was organized by Professor David McDonald, at Queen's University in Kingston, Ontario to conduct research on the impact of privatization on municipal services in South Africa, to encourage debate over key policy issues, and to do education on privatization. The project recognizes the important role municipal workers' unions play in municipal services. CUPE and the South African Municipal Workers Union (SAMWU) are partners in the project, as are Professors Patrick Bond, and Greg Ruiters, at Witswaterstrand University in Johannesburg, and other organizations. The project is funded in part through the International Development Research Centre (IDRC) based in Ottawa.

In many communities in South Africa, water and power are being privatized, introducing large, new costs for these basic services that poor people cannot afford to pay. The poor in South Africa are overwhelmingly people of colour who are unemployed, single mothers with kids or elderly. Unemployment in the townships runs at sixty to eighty percent. There is no social safety net in South Africa including for the elderly. Those without jobs (the majority), cannot regularly put food on the table, let alone pay their new, large water and power bills.

The conference focussed on this situation. It dealt with a range of important policy questions, evidence from around the world about the consequences of privatizing these basic municipal services, and how people are organizing in their communities to fight back.

Prior to attending the conference I also visited the SAMWU Researcher at their National Headquarters in Cape Town. SAMWU has recently hired their first researcher (Jeff Rudin) who had visited the CUPE Research Branch to learn about our research work a month earlier. In this visit I was able to learn more about the issues SAMWU was facing and the work they were doing in Cape Town with the Municipal Services Project.

3. Policy Issues

The conference addressed a number of important policy questions for CUPE, such as the disastrous effect of insistence on cost recovery practices, how metering water leads to exorbitant water bills, why cross-subsidization is important both for poor people, and to make it harder to privatize a municipal service like water.

Evidence and examples were presented from around the world. It ranged from the disastrous history with privatization in the UK, where recently peoples' insistence on better public regulation has made private water works less attractive to companies, causing some to want to revert to the public sector and UK companies to focus on countries with weaker public regulation. It also included the inspiring example of Cochabamba, where the people rose up and took control away from the multinational company that privatized their water works in order charge high fees and deny water to those who refused to pay.

For more information on the conference, including papers presented there, visit the website for the Municipal Services Project at: <http://www.queensu.ca/msp>. The site also provides access to the many other research papers on municipal privatization conducted through the M.S.P.

The South Africans at the conference were very explicit that the fight against privatization is a fight against capitalism. And their struggle is to create a society based on socialist principles. Their history of fighting apartheid has created a popular understanding that the basis of their exploitation was not only racism (discrimination on the basis of skin colour), but also capitalism (the economic system that exploited their labour and created wealth they did not share in). "Racial capitalism" was the analysis of apartheid popularised during the eighties by COSATU and other mass movements. The effect of this is evident in the slogan at the bottom of the SAMWU 2002 year planner: "Increase international and local struggle against capitalist injustice".

CUPE could benefit from some of the materials that are being developed by our sisters and brothers in South Africa on fighting privatization and globalization. The materials they produce often combine a very sophisticated analysis presented in a popular education form. I brought back some examples for National Services and Union Development staff to consider.

4. Frustration with the Government and Unions over Privatization

Community participants were very critical of government actions to privatize water and power, to start metering water, to cut off those that can't afford to pay, and to evict those with unpaid bills. This frustration spills over onto the union movement too. Partly this is because COSATU, the South African equivalent of the CLC, is in a formal alliance with the governing parties – the ANC and the South African Communist Party. So the unions are seen to be part of the problem. This is reinforced by the fact that few unions

beyond SAMWU are actively engaging their members in community organizing to stop water and power cut-offs and evictions. COSATU did organize a one day national strike against privatization about a year ago but has not done much visible since.

5. Media Interviews while in South Africa

While in South Africa I did three radio interviews. The first was with Don Kossick (a former CUPE activist from Saskatchewan) for Indiemedia on why CUPE was interested in privatization in South Africa (I just happened to cross paths with Don in Cape Town). The second interview was about the CUPE/CEP successful court case stopping the largest privatization in Canadian history – Hydro One. Anna Weekes, the SAMWU Communications Officer, put out a press release that attracted a radio interview with Workers' World News, an international program. The third interview was with Wilson Lee, a Canadian journalist now living in Johannesburg who was preparing a story on the New Economic Partnership for Africa's Development (NEPAD), the focus of the coming G-8 meeting in Kananaskis, Alberta, hoping that CBC National Radio would be interested.

In conclusion, the conference and my visit to Cape Town provided a fascinating insight into the tough, vibrant and complex dynamics of the new South Africa.

But more important, CUPE's involvement in this conference and in the Municipal Services Project helps to strengthen our ties to those in South Africa actively opposing privatization. We can learn a lot from the research and the organizing going on around the privatization of municipal services in South Africa to inform our struggles here.

Jane Stinson
CUPE Research Branch
June, 2002.
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“Services For All?”

MSP conference summary

“Now I am Brave” - Pambazuka News
June 2002

Oscar Olivera – an unassuming but forceful protagonist in the fight against water privatization in Cochabamba, Bolivia – spoke to a packed audience of 300 community activists, unionists, NGO-types and academics in Johannesburg two weeks ago as part of the Municipal Services Project’s “Services For All?” conference (see www.queensu.ca/msp for details).

Weaving between critiques of international capital and the daily grind of poverty, Olivera delivered a talk that was at once universal and personal. With his own political odyssey wrapped in the particular struggles of the Bolivian highlands he has transcended these boundaries and made links with the international struggle against neoliberalism.

His dynamism was clearly contagious. One elderly community representative from a township in the Johannesburg area stood up after the talk to announce: “Now that I have heard Oscar, I am brave. I too will fight the multinational corporations”.

Not that South Africans need much incitement in this regard. The anti-neoliberal movement is very much alive and growing in the country, with Anti-Privatization Forum organizations popping up throughout South Africa. There are also teams of people “illegally” reconnecting water and electricity to tens of thousands of low-income households that have had their supplies cut off due to the fact that they are too poor to pay.

What the quote about “being brave” does exemplify is the growing internationalization of the anti-privatization movement in South Africa and the potential for these international movements to support and reinforce one another.

Other international guests at the conference made these same links. Tony Clarke and Maude Barlow from Canada. Colin Lees from the UK. Njoki Njehu from the USA. Medha Patkar from India. And many more. All brought the international struggles to South Africa and made it real to conference delegates.

But in the end it was the South African experiences with cost recovery and privatization of services such as water and electricity that made up the bulk of the conference presentations and discussion. In this regard the conference was a rich and penetrating overview of the state of the privatization debate, with heaps of analysis from NGO workers, community activists and academics alike.

In fact, it was this blend of conference delegates that made it the success that it was. With protest songs and dance an integral part of every plenary session there was an energy and “vibe” seldom found at research-oriented conferences. Detailed critiques of tariff structures mixed with emotional narratives of forced removals from houses

made for a potent mix of discussion. And lots of discussion there was, with questions and comments pushing every session well into overtime and into the wee hours of the night over a beer (or two).

In this respect the conference was something of a watershed in post-apartheid South Africa, bringing together a diverse range of people into a common front against neoliberalism. The honeymoon is clearly over for the ANC in South Africa, with tough questions being asked from a wide range of participants about the party's past and future plans on service provision. For three days the false divisions of intellectual labour fell away as elderly activists with little formal education, NGO-types and academics all fell into the hard work of understanding the juggernaut of international capitalism.

Fun was had as well. There was a three-part film festival bringing together the best of independent documentaries in the region, as well as a cultural festival in Soweto on the closing afternoon. In preparation for the latter, children had been given cameras to take photos of "municipal services" in the township, with backed-up toilets, broken sewerage lines and faulty wiring being common subjects. There were poetry workshops and performances as well as dance and music – all on the themes of municipal services.

It was an electric conference (in every sense of the word!) and will hopefully contribute to the vibrant and fast-growing "new left" in South Africa and the region.

David McDonald
Co-Director, Municipal Services Project

APPENDIX E
REPORT BACK ON
SAMWU TRIP TO CANADA/UK

REPORT OF VISIT TO CUPE, THE TUC & UNISON –

BY JEFF RUDIN, SAMWU RESEARCHER

APRIL 2002

In April 2002 I spent two weeks in Canada – nine days in Ottawa and three in Toronto, as part of the Municipal Services Project's objectives to develop linkages between the South African Municipal Workers' Union (SAMWU) and the Canadian Union of Public Employees (Cupe) and to strengthen SAMWU's research capacity. I stopped over in London for a further two days, on my way back to Cape Town.

Being SAMWU's newly appointed, first and only researcher, the main purpose of my Cupe visit was (in its original conception) to learn from Cupe, with its large and long-established Research Department. Initially, it appeared that Cupe's and SAMWU's circumstances were so different that no direct lessons could be extrapolated. The overriding difference between the research components of the two unions is that of size. Cupe has some 33 fulltime researchers, SAMWU only one. Common cause between Cupe's researchers and me was that there is no way in which one researcher can replicate the activities of a large Research Department.

Organisational differences between Cupe – with its large number of highly autonomous locals, each enjoying full and separate negotiating rights – and SAMWU, with its highly centralised structure & national negotiating bodies – made it still more difficult to draw direct lessons from Cupe's Research Department.

These major differences, however, did not detract from the value of the visit, and were in fact a lesson in themselves. More importantly, there was so much else in common between the two unions that the visit proved extremely fruitful. I had the privilege of attending a two-day national Cupe workshop on privatisation and the environment, as well as sitting in on a number of Cupe's Head Office-based, organisational and policy meetings. I felt completely at home with all the substantive issues on the table, notwithstanding my lack of familiarity with much of the detail.

A visit that had therefore been seen as mainly a one-way learning process turned into a mutually rewarding exchange of ideas and practices around common themes. Municipal service cut backs, the commodification of essential services and privatisation, both actual and impending, as well as the range of concerns around the General Agreement on Trade in Services (Gats) formed the core of issues binding the two unions together.

More in keeping with my visit's original intention, I 'raided' Cupe's research, educational and publicity departments for materials. SAMWU is now the happy beneficiary of a large amount of Cupe's work.

Jane Stinson, Cupe's Research Director, was my principal hostess. The programme she prepared for me ensured not only that each day was fully utilised but that I was

productively able to network with a number of independent research bodies based in Ottawa.

I was joined on my visit to both the British TUC & Unison by a Cupe researcher I'd met in Ottawa, who happened also to be passing through London. What was most striking was the extent to which Unison's struggles were common to both Cupe and SAMWU. I spent the 2nd day in Oxford attending an international conference on water privatisations. Besides benefiting enormously from the academic papers presented, I was also able to establish personal contact with a number of the university-based researchers. Some of these researchers are now 'volunteer' members of SAMWU's research component.

In summary, I profited enormously from the visit. I came back clear in my own mind about the substantial limits of being a one-person research unit. The visit further clarified the dangers of my not accepting the limitations imposed by being on my own. The challenge is to be able to draw on the large number of existing research facilities worldwide, while also being immediately able, in an explicitly limited way, to address some of SAMWU's unfolding research needs.

Jane and her colleagues gave me the encouragement to come to these somewhat sobering conclusions. But, more still, they helped personalise the huge scope that exists for collaborative work between our two unions.

Jeff Rudin

APPENDIX F
REPORT BACK ON
TRIP TO GHANA

**Report back from trip to Accra, Ghana
May 17-20, 2001**

**By Patrick Bond
(for ZNET Commentary)**

Ghana's hydro-class struggles

ACCRA -- Notwithstanding the horrific soccer stadium disaster in which at least 165 people were killed in a police-incited stampede on May 9, the past week offered signs of genuine hope in Ghana.

I've been privileged to witness a careful regrouping of the country's former revolutionary student/community movement, which is strengthening its political base by addressing two key areas of economic and social strife: the legacy of structural adjustment and water privatisation.

As was the case recently in Bolivia, Ecuador and South Africa, Ghana's capital city and rural areas could witness rising protest in coming months. The combination of neoliberal economic policies and the commodification of water could well drive ordinary Ghanaians to the streets.

That would be bad news for a vociferous US ideologue of neoliberalism, Thomas Friedman of the New York Times, who visited Accra in late April and declared that Africans want free markets, penetration by multinational corporations and the Clinton Administration's African Growth and Opportunity Act of 2000 (AGOA).

"While the protesters in Quebec were busy denouncing globalization in the name of Africans and the world's poor," wrote Friedman on April 24, "Africans themselves will tell you that their problem with globalization is not that they are getting too much of it, but too little."

Friedman cited just one Ghanaian, George Apenteng of the Institute for Economic Affairs, which is funded by transnational corporations, including Kaiser Aluminum and Unilever.

A far better informant would have been Charles Abugre, director of ISODEC, the Integrated Social Development Centre, whose 68 staff do top-quality radical analysis, publishing, development projects, community organising, Africa-wide and international networking, and unrelenting advocacy. (<http://www.isodec.org.gh> will be up soon)

"AGOA is not having a positive effect in Ghana," says Abugre. "We see it merely as an instrument for opening Ghana's markets in the name of promoting US investments. For Friedman to argue that AGOA will be the means by which we can penetrate the US market is a delusion. The main effect of AGOA is to link aid to economic reform, by which is meant the dismantling of state regulatory environment. There are no benefits,

and the costs include clear manifestations of deepening structural adjustment and deregulation."

ISODEC and the African Trade Network are campaigning to roll back AGOA. Abugre calls for vigilance from US-based Africa solidarity activists, many of whom backed Rep. Jesse Jackson, Jr's alternative (unsuccessful) "HOPE for Africa" bill last year. Says Abugre, "We are protesting AGOA in civil society groups across Africa and are placing it on the agenda of the Organisation of African Unity and UN Economic Commission for Africa. AGOA is simply another way of undermining Africa's ability to mobilise domestic resources for development, and of enforcing an anti- developmental trade regime."

Two decades ago, Abugre and several of ISODEC's other leaders were amongst those responsible for giving Flight Lieutenant Jerry Rawlings a social power base of enormous importance--to their great regret.

For after taking control of the students' June 4 Movement and gaining state power in a December 1981 coup, Rawlings did a vicious political U-turn within months, forcing the lead activists into exile, jailing thousands, and killing hundreds.

The final straw was the young leftists' defeat after a national debate in late 1982 over whether Ghana should turn to the International Monetary Fund (IMF) for a structural adjustment loan programme. Though public opinion was clearly with the student movement, conservative opportunists emerged and helped Rawlings turn right, though he retained his nationalist demagoguery.

(The story of Ghana's revolutionary moment and its squashing is well told by Zaya Yeebo in his book, *Ghana: The Struggle for Popular Power*, published in 1991 by New Beacon Books of London.)

During the 1980s-90s the IMF and World Bank ran roughshod over Ghana, helping open the country's doors to Western governments whose aid schemes nearly invariably failed. US administrations became friendlier, capped by a visit from Bill Clinton in 1998. Formal democracy was finally restored in 1992 (Rawlings was then elected twice amidst a mediocre field and boycotts by opposition parties due to blatant vote-rigging).

Amidst the chaos and underdevelopment, Ghana was officially considered amongst Africa's star neoliberal pupils, boasting an average of 4.4% economic growth a year from the mid-1980s to 2000.

Yet last December, after two decades in which the average annual income of the country's 18 million people never rose above \$400, disgruntled voters replaced the ruling National Democratic Congress with the New Patriotic Party, led by John Kufuor.

A gullible neoliberal in practice, Kufuor at least concedes the obvious when pressed. On May 7, ISODEC hosted a conference on the effects of two decades of World Bank

policies. Kufuor sent a message with this frank admission: "After 20 long years of implementing structural adjustment programmes, our economy has remained weak and vulnerable and not sufficiently transformed to sustain accelerated growth and development. Poverty has become rather widespread, unemployment very high, manufacturing and agriculture in decline and our external and domestic debts much too heavy a burden to bear."

The local World Bank resident representative, Peter Harrold, confessed that Kufuor was right. Agreeing that the Bank had ignored Ghanaian social priorities, he pledged more support to loan programmes specifically aimed at uplifting the poor. Water system "restructuring" was one example, given the failure of Ghana's state company to provide affordable clean water to about 60% of urban residents.

But a few days later, on May 17, Harrold was lambasted in front of two hundred more civil society delegates at an ISODEC public forum on water. In his defense, Harrold bragged not only of coordinating a rural water investment scheme to supply communal taps to villages under certain conditions. He also actively promotes the leasing, over 10-25 years, of two large urban water systems to supply several million residents. Five multinational corporations have already bid for the contracts.

Replying to Harrold, development practitioner Danumin Subiniman—who coordinates numerous rural northern Ghanaian water schemes paid for by a 1999 Bank loan--complained that "full cost recovery, the demand driven approach and World Bank conditionality of 5% upfront payment are fully enforced." Yet "these cost too much," and are responsible for numerous rural system failures. A deadly epidemic of Guinea worm, a debilitating waterborn parasite, has broken out.

Nor is water quality testing provided in poor areas, says Subiniman. And because the Bank and state insist on full cost-recovery from poor people, "huge sums of their income are being spent on capital and maintenance."

The forum also unveiled that the Bank and state's full cost-recovery strategy assumes water can be stripped of "public goods" (or what economists term merit goods, or externalities). Reduced to the status of commodity, water should be bought and sold in the marketplace.

Thus, according to the 1999 Bank water loan documentation co-signed by Harrold, "It is assumed that the health benefits known to users are captured in their willingness to pay for good quality water."

Abugre objects that the Bank's "willingness to pay" surveys are ludicrous. Instead, in a context of terribly low levels of "ability to pay," in rural areas that basically survive without cash incomes, the benefits that flow from disease abatement, gender equity and economic spin-offs justify much greater water subsidies. But moreover, says Abugre, "Water is a human right. Without it, there can be no life. We cannot let it become a mere commodity."

Harrold may have failed the rural poor with his dogmatic refusal to subsidise operating and maintenance expenses. But his contribution to the privatisation debate is more complex.

Last year, Harrold derailed the first attempt to lease Accra's water system because of bribery--allegedly worth \$5 million, and implicating Rawlings' wife--by an Enron subsidiary. Other multinational water companies had complained about the bribe and non-competitive bid, and this incident gave Harrold a chance to reverse the Bank's local image for being soft on corruption.

The Bank remains desperate to claim an anglophone West African privatisation success story, and so Harrold is making the urban water leases a precondition for access to debt relief via the Highly Indebted Poor Countries Initiative. (Some progressive Washington groups, led by Rob Weissman of Essential Action and Sara Grusky of Globalization Challenge Initiative are trying to make water-privatisation conditionality illegal, following on their success last year in a congressional campaign to stop imposition of user fees via Bank health/education loans.)

The Enron scandal and increasing international outcries against water privatisation made Abugre wary of both the Bank's leasing scheme and the five large multinational corporate joint ventures now bidding for Ghana's water-- N.V.Nuon/Biwater, Compagnie Generale des Eaux/Halliburton Brown Roots, Sauer International/Skanska, Suez Lyonnaise des Eaux and United Utilities/International Water/Vector Morrison (critiques of these and other for-profit water companies can be found at <http://www.psiru.org>).

At the ISODEC forum, I was joined by three South African comrades who pointed out the many drawbacks to privatising water, and the need for a public-people-partnership alternative. Soweto activist Trevor Ngwane told the story of the community/labour Anti-Privatisation Forum in Johannesburg, while Lance Veotte and Victor Mhlongo of the SA Municipal Workers Union reported on struggles to make South Africa's decrepid, bureaucratic state water apparatus finally accountable to low-income people (see <http://www.samwu.org.za/apf.htm>).

In fact, remarked a commentator from the floor, the appalling conditions that Accra water consumers face directly reflect class power and segregation. Virtually all upper-income people have no problem accessing clean tap water and water-borne sewerage in Accra's bourgeois neighbourhoods; virtually all low-income people have irregular or nonformal access to water. Ghana's neoliberal state works for the rich, not for the poor.

But now clever Mr Harrold intervenes, with a devious way of capitalising on resentment against the Ghana Water Company, so as to promote privatisation. The Bank has played a triple trick on Ghanaian society since Rawlings came to power:

a) running down the state, so that privatisation appears as the only alternative to public service failure;

b) exacerbating class inequality in society, so it is logical to argue that the existing system is biased toward the rich (and hence claim that privatisation will actually benefit the poor); and

c) compelling the state to raise water tariffs (prices) sharply before privatisation so that the chosen multinational corporation would be spared public anger.

Harrold could therefore claim to the ISODEC forum that only a private supplier can extend the system to the poor and fix the leaks system responsible for half of Accra's water never being charged for.

This triple gambit was first used to promote water privatisation in the Bank's main pilot project, Buenos Aires, as two of my academic colleagues in the Municipal Services Project have just shown in a new study (<http://www.queensu.ca/msp>).

Here, then, is where internationalism is evolving from solidarity into concrete alliances with Ghana's poor and working people. There are increasingly similar institutional enemies in the hydro-class struggles: the Bank and multinational water companies.

Last year's famous water wars in Cochabamba were based upon a "terrible privatisation which we opposed, and refused to fund because of corruption," claimed Harrold. In reality, explicit Bank advice to the Bolivian government had sent water prices soaring to more than a quarter of a typical household wage packet.

After the March-April 2000 street riots which compelled the Bechtel Corp's rapid flight from its Cochabamba contract, Bank president James Wolfensohn was asked for a comment at a press conference on April 12. "The biggest problem with water is the wastage of water through lack of charging," he pronounced. "In the riots that you had in Bolivia--which, I'm happy to say, are now quieting down--it was about a new dam, a new power, in which the Bank on this occasion had nothing to do" (sic).

All components of his answer were fallacious. The leader of the Cochabamba protests, trade unionist Oscar Olivera, took the opportunity last October, in the wake of a new round of protest, to join Ngwane and several other South Africans in a North American activist film tour to support the World Bank Bonds Boycott initiative (<http://www.worldbankboycott.org>).

In Accra, as well, the Bank is distrusted. Harrold immediately ran into difficulty when a secret document revealed that "cherry-picking"--i.e., avoiding poor areas--will be built into the leases that will govern the city's water.

The Bank and Ghanaian government's "Information Memorandum"—tellingly labeled on page i, "strictly confidential"-- was prepared by Stone and Webster Consultants of Washington, DC. "Rather than expansion" of the water supply to low-income urban communities, the privatisers are instructed by the document not to "displace" the existing

super-exploitative private-sector watertankers who have monopolised supply to low-income communities.

In addition, environmentalists and public health officials worry about worsening water quality, both from the private watertankers and the state pipes. The Stone and Webster document insists that the successful privatiser "will be allowed to request an exemption for some... water quality standards."

And labour is concerned because it appears that the privatisers will dramatically reduce water sector formal employment: from the existing 3925 staff to 2150 ("The World Bank has indicated willingness in making severance payments should the negotiations be concluded satisfactorily," says the document).

Over several days, these kinds of horror stories spilled out, and the possibilities for a wide-ranging anti-privatisation alliance grew. The slippery Mr Harrold failed to convince the audience of the Bank's bona fides to solve the problem with a market solution. When he cried, "We tried but we failed to reform the Ghana Water Company," in spite of spending nearly \$200 million during the 1990s, ISODEC activists weren't impressed.

"If he couldn't fix the state company, why should we believe he will do any better trying to serve the poor through multinational water companies?," asked Rudolf Amenga-Etego of ISODEC. Instead, Amenga-Etego, other ISODEC leaders, and the South African trade unionists began designing a "public-community partnership" as the popular alternative to privatisation.

One of the central sites of struggle is the unserved Nima ghetto neighbourhood of Accra, which bussed in several dozen youth to take part in the water workshop. To end the story where we began, Amenga-Etego and some Nima leaders provided a poignant analysis of the soccer stadium tragedy. Seventy local neighbourhood lads were among those killed when the teargas was shot directly at the panicky crowd at the end of the game.

Soccer was the youth's only real distraction from the misery of daily life. And so on May 11, Nima erupted in fury at the police for their callous crowd control, and at stadium authorities for keeping exit gates locked, resulting in the deadly crush of bodies. The youth protested at the nearest police station, and four more Nima residents were killed when the police fired on them.

"How do we channel the righteous anger of people, whose socio-economic conditions breed hopelessness and desperation?" asked one Nima organiser. "We need more of these water workshops to reveal to us why our dirty well water and open sewage streams will not be fixed by this government and its corporations. And then we need to put pressure on the state to clean up its act." A health official nodded, and said she estimated that two-thirds of local illnesses could be abated with clean water.

"This deepening of the movement is what we failed to do twenty years ago," Amenga-

Etego acknowledged. "Our naivety and overconfidence as young student activists led us to believe that if we could catalyse a left- wing coup, we could march into power and reconstruct society from above. But as you see from the state of our country, it ended in disaster."

He smiled. "Now we know that building this movement against structural adjustment and water commodification from the bottom up-- from urban Nima to the rural villages--is the only way to succeed. It may take a few more years but we won't be deterred from this path."