

Executive summary of the DDP's public forum discussion on electricity policy in post-apartheid South Africa

Date : Thursday, November 26, 2009

Venue : Southern Sun Elangeni Hotel, in Durban

Presenters: Professor Greg Ruiters (Institute of Social and Economic Research /Rhodes Univ.)

Ms. Nthabiseng Mohlokoana (Democracy and Governance/HSRC)

Mr. Trevor Ngwane (Soweto Electricity Crisis Committee)

The purpose of the discussion was to assess the redistributive effects of the post-apartheid South African state's electricity policy, how it is gendered and its impact on grassroots political activism.

Professor Ruiters' presentation probed the extent to which the state's Free Basic Electricity (FBE) policy has achieved its stated objective of enhancing the well-being of the poor, in particular the well-being of women and girls. He argued that FBE, like FBW, is a crisis response that seeks to control the social behaviours of poor working class communities rather than empowering them, as the underlying structural causes that preclude the poor from experiencing real material benefit from being connected to the national power grid are left intact—approximately 80% of households were connected by 2005, according to the 2006 General Household Survey (GHS). He indicated that almost 80% of South Africans used electricity only for lighting, during this period. Basic electricity made up a mere 1.6% of residential electricity and FBE an even smaller portion. Hence, it is Ruiters' contention that none of the stated objectives of FBE has been consistently achieved.

He noted that the Department of Minerals and Energy under Phumzile Mlambo-Ngcuka accepted 50kWh/month of electricity as a suitable amount for low-income households, stating, in 2003, that 56% of households consume this amount of electricity per month. However, the DME failed to probe the reasons for such low consumption, he said. According to Ruiters, low consumption was a consequence of apartheid's racialised system of electricity distribution and so to subvert this legacy more than 50kWh would have to be offered. He asserted that there is not much that poor/low-income households can do with 50kWh of electricity per month: a small fridge alone, or a hotplate for cooking used two hours a day, would use up the FBE quota. In this way, state control extends into the home, forcing the poor to use electricity sparingly whilst reinforcing their dependency on hazardous electricity sources, such as paraffin and gas, which are the cause of widespread shack-fires in informal settlements. Thus, Ruiters argued that whilst the state is

rolling out free electricity it claws back the cost in a steeply graded price for consumption after poor/low-income households have exhausted the FBE quota.

Meanwhile, low-income households have to demonstrate that they are poor, based on a state-imposed means-test that works to separate the poor into different categories - the “ultra poor” are being split from others. And those that the state disconnect from the national grid for failing to meet their monthly electricity payments forfeit their FBE quota! They are forced to accept the prepaid meter system which Ruiters charged is a tool to manage and rehabilitate the poor. He mentioned that the PPM creates a self-policing subject committed to relentless self-surveillance. It is a form of self-disconnection because once electricity tokens are depleted the meter disconnects automatically.

It thus makes government services and its power more remote, cheaper and less politicised. Ruiters quoted McGibbon, a senior manager at ESKOM, explaining the parastatal’s reasons for adopting the prepaid meter system, saying: *‘Eskom had a difficult time managing the conventional meters. Eskom used to hire workers whose main task was to disconnect electricity. This entailed ensuring the transportation from house to house and the protection of its employees in the event of conflict with customers. The conventional metering, in the absence of proper social attitudes to electricity, became a system demanding very high maintenance. Prepaid metering reduced this cost tremendously’.*

However, he mentioned that the subordinated classes are not just accepting the state’s control of their social behaviours. Poor people are engaging in ‘popular illegalities’ to resist the coercive/punitive power of the state. These illegalities function as a form of self-help. This include electricity theft in the form of illegal connections to the grid, in particular illegal connections directly to service cabals and the theft and destruction of electricity infrastructure, which is often related to cable theft for copper wiring, he observed.

Interestingly, Ruiters pointed out that the question of theft by the rich, like Madeoff in the USA, and the kleptocrats in the state who use their official status to secure tender deals and others who callously splurge public funds on expensive parties, hotels and cars shows that quick condemnation of the poor needs to be contrasted with systemic theft by the bourgeoisie.

Nthabiseng Mohlokoana’s presentation explored the impact of high electricity pricing on poor/low-income households and how gender intersect with the way electricity is bring provided. She indicated that high electricity tariffs increase the dependency of poor/low-income households on hazardous sources of energy, like paraffin, candles, wood, plant residues, etc. Meanwhile, the prices of some of these hazardous energy sources have also increased, thus, destabilising the social life of poor working class communities even more. For example, according to the UCT’s Energy Research Centre, the price of paraffin increased from between R5.00-R6.00 per litre in early 2006, to between R10.00-R15.00 per litre in mid-2008. The price of candles increased from between R6.00-R8.00 for a pack of six to between R12.00-R16.00, during this period.

She mentioned that the prices of these energy sources are not regulated which enable retailers to set their own prices and so make huge profits. High electricity prices also have a deleterious effect on the operations of small businesses, resulting into job-losses.

Mohlokoana observed that impoverished households are usually female-headed. They bear the brunt of steep electricity prices as the ones who are expected to collect wood and plant residue, leaving them with little time to engage in educational and income generating activities. Poor/black women and girls often depend on social grants which are not enough to cover energy costs. And a lack of energy sources affects their ability to take care of the sick and elderly.

She proposed that FBE be properly implemented country-wide and that renewable energy technologies be introduced, such as gel fuel, solar cookers, hot-boxes, bio-gas digesters, etc. According to Mohlokoana, small business development could benefit from renewable energy technologies in rural areas, like poultry farming, small tech businesses in containers, etc. Meanwhile, the rising costs of electricity and fossil fuels, like paraffin, are opening a gap for renewable energy technologies, and maybe they should be developed further. There are also real employment benefits for the South African labour market from the manufacturing of renewable energy technologies, she opined.

Mohlokoana contended that a holistic approach is required to address South Africa's energy conundrum; one that considers integrated energy services to alleviate energy poverty in low-income areas which are soon becoming no-income areas. A lack of electricity for household use places a significant burden on poor women and girls. But, the electricity problem has to be addressed in tandem with other social needs, like housing, land tenure, water, etc.

Trevor Ngwane gave a narrative account of his personal experience of electricity struggles in the Soweto Electricity Crisis Committee (SECC). It all started when ESKOM decided to disconnect Soweto residents for failing to pay their staggeringly high electricity bills – one lady said her electricity bill was R40 000.00 in arrears. Trevor was a ward councillor for Zone 5 and 7 of Pimville in Soweto. He indicated that there was very little that they could do as ANC ward councillors, at least according to the party. Residents went to SANCO, but discovered that the civic organisation was curiously sympathetic to ESKOM, which could be because some of its members received tenders from the parastatal. Trevor noted that ESKOM also employed local SANCO activists as block representatives whose job was to make sure residents were clear about the new system of payment, that they actually pay and to address any arising problems.

He said that the ANC government launched the “Masakhane” campaign to encourage poor working class communities to pay for social services. Residents thus found themselves between a rock and a hard place. Their electricity was being disconnected and they simply didn't have the large amounts needed to settle their arrears. And as a direct consequence, sporadic marches erupted and meetings were convoked with ESKOM with the hope to find some relief for the

avalanche of disconnected Soweto residents. And so the Soweto Electricity Crisis Committee was founded to coordinate the resistance of residents against disconnections throughout Soweto.

Interestingly, Trevor indicated that a study conducted by the SECC found that residents were actually making payments towards their electricity bills, but that their precarious social conditions due to unemployment and starvation wages rendered them unable to pay the required amounts. It is thus not wrong to surmise that those who fail to pay are being punished for being poor, as the state aims to produce a rule-abiding subject who calculates the cost implications of his or her social behaviours and who is prepared to pay for social services provided by the state.

Trevor mentioned that the SECC launched operation “Khanyisa”, which was about illegally reconnecting the disconnected, as a strategic response to the government “Masakhane” campaign. It was a conscious attempt to balance the power relation between ESKOM and the residents, he observed. In response, ESKOM got the then Minister of Public Enterprises, Jeff Radebe, to denounce the SECC as criminals and hooligans. But, it was too late, as by that time the Anti-Privatisation Forum was formed, which was an umbrella body that united trade unions and community organisations in the struggle against the privatisation and the commodification of basic services. He mentioned that the APF originally consisted of SAMWU, IMATU, NEHAWU, SANCO, the SECC, the SACP and other political and religious organisations. This was a great moment of possibility that could have changed history, but it was not to be as the opportunity was missed. The ANC-SACP-COSATU leadership took a political decision against any frontal attack against the state’s policy of privatisation. Their problem was how to oppose the ANC government’s policy without opposing the ANC. Eventually, the SACP, SANCO and the trade unions pulled out of the APF.

Trevor cautioned that we should not be fooled by the ANC-SACP-COSATU alliance’s initial position against privatization and their response to ESKOM’s recent ridiculous demand for more outrageously high electricity price increases, as their politics are ultimately about achieving class collaboration within the tripartite alliance. One should only consider their responses to ESKOM’s price hike demand: ‘it is not good for the economy’, ‘it would not benefit economic growth’, ‘it’s not good for the rich and the poor’, etc. He asserted that the main agenda of the left inside the tripartite alliance is to protect the ANC’s hegemony in the South African polity whilst pushing for greater influence over its direction. The first clear sign of this was when the struggle against the ANC’s neoliberal policy stance was turned into an anti-Mbeki versus pro-Zuma campaign. This quickly became a struggle to keep the ANC in power, to vote for the ANC. It resonates with what happened in Khutsong. At first the struggle was about challenging the ANC government’s policy. However, the alliance stepped in and whilst an egg dance initially ensued between the different components, the SACP leadership eventually herded the Khutsong masses back into the ANC’s kraal.

Finally, Trevor contended that the struggle for affordable electricity has to be consciously connected to a vision of a different society. It should be a society based on solidarity, equality and collectivism in which people are decent to each other and where everyone can be the best that they can be. For him, it is about raising clearly the vision of a socialist society.

The three presentations stimulated a critical discussion. One of the participants argued that big companies, like BHP Billiton, are making huge profits at the expense of the environment. Professor Ruiters responded that these companies are getting Free Massive Electricity. He indicated that Koega have been entering into several secret deals with multinational companies, promising cheap electricity to them. Local companies are engaging the state on behalf of multinationals, securing huge deals for them to work on S.A.'s energy infrastructure whilst securing huge stakes for local private capital.

A second participant endorsed Nthabiseng's suggestion that a holistic approach is need to tackle social problems. She argued that it is generally poor/black working class women who bear the brunt of multiple crises of social reproduction. However, women are being mobilised in fragmented struggles. Someone else stated that if the quantity of FBE is increased someone would have to pay for it. And if the cost is increased surely the delivery of other services will be affected. Ruiters's response was that we need to start from an ethical position. If the amount of FBE that is being delivered is subjected to a rigid costs and benefits analysis, it could also be asked what the benefit of the education system is when so many matriculants are jobless. He indicated that the state's FBE policy has to be critically evaluated in order to make it work better. Another participant asserted that it is not a bad thing for industry and commerce to consume 80% of S.A's electricity power, as they are responsible to 'generate the economy'. However, somebody else stated that it should be asked who benefits the most from economic growth in South Africa's energy intensive economy.

What is clear from the discussion is that gains have been made in terms of getting poor/low-income households connected to the national grid. However, the commercialisation logic that drives the state's approach to delivery of social services undermines poor people's ability to derive material benefit from this connection. Meanwhile, according to 2008 ESKOM annual report data, industry is the primary beneficiary of South Africa's cheap electricity supply. It consumed 27.42% and paid 17.28c/kWh. Interestingly, international users consumed 4.17% and paid 11.88c/kWh, which was significantly lower to the 44.56c/kWh consumption cost for domestic use, during this period (Sustainable Energy Briefing, September 2009).
