

## **CHAPTER SIX**

### **EFFECTIVENESS OF ENERGY POLICY REFORMS**

#### **6.1 Introduction**

This chapter focuses on the policy reforms that have shaped poor urban household energy consumption in Diepkloof. The chapter begins with a critical assessment of the free basic electricity policy (FBE). The major processes driving this policy at the institutional level are discussed alongside other views from both the SECC and the community of Diepkloof. Drawing from the above debates on socio-economics and multiple fuel use, this chapter aims to critically assess the effectiveness of some of the key policy issues concerning service delivery and human rights in poor urban areas. Through this analysis, this chapter seeks to frame the conceptual limitations of the current energy policy by offering an objective understanding behind electricity cut-offs, illegal reconnections, inefficiencies concerning billing procedures. The chapter concludes by examining the impact of these policy reforms on the poor households and how these reforms have shaped fuel switching and multiple fuel use in Diepkloof. The next section traces the development of free basic electricity policy and its challenges in South Africa.

#### **6.2 The free basic service policy initiative in Diepkloof**

In 2000, the national government announced its intention to provide the poor with free basic electricity (FBE) (DME, 2003). FBE policy recommended that 50kW/h per month be provided to all the poor households connected to the national electricity grid. This policy came after the national government has realised that the increase in electrification would not be accompanied by the meaningful levels of electricity consumption amongst poor households due to an affordability problem. An in-depth interview with a customer-service manager at Eskom reveals that the free basic electricity (FBE) project was an initiative from the national government to solve the problem of affordability and human rights. The Electricity Basic Services Support Tariff (EBSST) policy of 2003 states that:

*“The national government announced, during the last quarter of 2000, its intention to introduce ‘free basic services’ in order to ‘alleviate the negative impacts of poverty on communities’ (Eskom, 2003).*

Hence, in line with its FBE policy, the government intends to provide free electricity alongside other services such as water and sanitation to poor households to address affordability problems. The FBE initiative is funded by the national government and managed at a local municipal level. The Eskom customer manager argues that it is the responsibility of local government to compile a register of indigents (i.e. poor people) identified to qualifying for FBE. This compilation is done as per the selection criteria set down by the municipality as per their ‘Indigent Policy’ (DME, 2003). An ‘Indigent Register’ is then forwarded to Eskom to enable the indigents, in Eskom supplied areas, to claim FBE tokens. The FBE initiative provides 50kW/h free of electricity, which cost R25 every month to each qualifying household and will depend on prevailing service provider tariffs. Households using more than 50kW/h a month will have to purchase extra units from their local Eskom depot (Eskom, 2005).

The announcement of FBE policy prompted a series of assumptions and reactions from the poor households in particular. Hence, following the announcement, poor residents thought their problems regarding affordable electricity were over. In-depth interviews with the households in Diepkloof revealed that this initiative, was however, long overdue but came at the time when many people could not afford to pay for electricity. Nevertheless, people are still waiting for free basic electricity in Diepkloof and the entire Soweto, Protea Glen and Kagiso area (Table 5.1). The question, which puzzles many people, is why they are excluded from accessing FBE to date. According to the Eskom officer, working on this project, the said municipality is still finalising the take-home tariffs. It appears that our government has good intentions, however, municipalities and Eskom seems unable to handle this project effectively.

**Table 6.1: City of Johannesburg municipal funded free basic electricity (Eskom, 2005)**

Performance: MFFBE customer									
Target Date	Initial configured		Prepaid Configured Customers				Prepaid Consuming Customers		
	Requested	conditional done	Requested	Done	%	Target	No	%	Target
2005									
05-Nov	71478	41976	82676	39490	48%	83%	12774	32%	65%
05-Dec						83%			65%
SDF Areas (e.g Soweto, Kagiso, Protea Glen) not configured until the Hometake tariff is finalised as per management									

The Soweto Electricity Crisis Committee (SECC) Chairperson believes that the ‘free basic electricity policy’ would have made little difference to many poor people in Diepkloof. In fact, the free basic electricity allocations will enable poor households to have sufficient energy for lighting, ironing, water heating, TV and radio. The SECC Chairperson acknowledged that this service has not yet reached the intended recipients in Diepkloof.

*“...well this was a good initiative from the government..., but Eskom and the municipalities have not yet supply the needy people with free electricity and we are worried about this”(Interview with SECC Chairperson).*

In fact, according to McDonald (2001) the real cause for the delays in its implementation is the dispute over what level of government should cover the costs of free services for the whole project. Furthermore, unresolved negotiations between Eskom and the national government over subsidization of free 50kW/h resulted in lengthy delays for the provision of free basic electricity. However, the customer manager at Eskom confirms that households in Diepkloof have not yet received free basic electricity, as well as some other areas in Soweto as promised because of the problems related to the payment of arrears. Again, the process of facilitating FBE is delayed because the local government has yet to compile a list of who is eligible for FBE from Eskom.

The interviews conducted in Zone Five show a very positive approach towards the free basic electricity policy for the poor. Many respondents believe this is a brilliant initiative by the national government and they hope that the initiative will solve many problems related to affordable electricity. Even though people welcomed the policy, some respondents wanted government to provide more than just 50kW/h per month. This view was strongly supported by activists and consumers who claim that by any standard 50kW/h is not enough to serve even the most basic needs of poor households.

*“My concern is that monthly consumption in many poor households is more than 50kW/h per month”. (Interview with SECC Chairperson, 2005)*

This leaves a question: is this policy going to solve the problem of affordability in these poor households? Based on this view, it can be argued that government should have extended this policy of free energy services to a wider array of fuels, so as to level the playing field. Furthermore, such an option is economically unattractive to implement in practice because poor people are still using old appliances. Outlined below are some of the anticipated challenges behind the provision of free basic electricity.

### **6.3 Provision of free electricity is a challenge**

Eskom and municipalities face the challenge of providing free basic electricity in poor residents at an affordable rate. These municipalities and Eskom are expected to limit any increase to the below inflation targets set by national government, in order to achieve low inflation targets. It is difficult for municipalities to achieve these objectives if bulk supplies like Eskom continues to increase their prices at a rate higher than inflation (DME, 2003). At the moment, it is, however, an undeniable fact that some of the municipalities are providing free basic services, albeit to varying degree. Furthermore, it is inexcusable that five years later Eskom has not yet started to provide free basic services to the poor urban households in Diepkloof.

Added to these challenges, people want Eskom to rectify problems of insufficient insulation, and to restore removed quality cables from thousands of electricity defaulters. The deliberate installation of weak cables and 10amp electricity, act to reduce the level supply and are not adequate for handling appliances like heaters, particularly in winter. I believe that this option will distort the energy choices of the poor households by encouraging them to cook with alternative energy sources while people continue using electricity for lighting and entertainment. Also, this policy is not helpful to the poor households as electric cooking hour coincides with peak power demand on the South African grid. The reality we have to face is that South Africa is not meeting its looming shortfall in peak power capacity. Therefore, one danger of FBE is that it coincides with peak hours and the cost of supplying peak power could be much less favourable than we assume. These uncertainties expose the South African power system to potentially very high costs of services and power failures. At the moment Eskom says it needs 100 000 households to switch to gas to alleviate pressure on electricity supplies in the Western Cape (Mail and Guardian, 02 June 2006). This demand only affects poor households. A lot also needs to be done around this proposed policy to address the needs of the poor. The following section shifts the attention away from the FEB to explore the perception of Diepkloof communities, Eskom and SECC on current electricity prices.

#### **6.4 Energy policy and electricity prices**

Energy development policy has been basically formulated by experts concerned with the issues of economic growth and environmental degradation. The primary aim of cost recovery measures introduced by Eskom was to reinforce the prudent use of finite natural resources. In view of this general concern, much of the energy policy reforms have been directed towards the creation of more cost and energy efficient solutions to local energy problems. In essence, the policy makers have agreed on the standardised electricity prices as universal and affordable for all the people. However, members of the public have different ideas with regard to the present electricity price hence their responses need some special attention and serious scrutiny.

The data collected from these three zones shows that residents perceive electricity prices as the problem and a barrier towards their access to electricity. Many respondents in Zone Two and Three are not happy with electricity prices saying that they can only afford electricity for only one part of the month, if at all, and are forced to revert to using candles, paraffin, wood and coal. Generally, people in Diepkloof think current electricity prices are very high for them. In my view, most certainly the present electricity prices are high considering how much poor people are earning in general terms. Moreover, the rate of unemployment is very high as shown in the earlier chapters.

Even the SECC argues that electricity prices are a problem for many poor South Africans, especially as a result of the policy of cost-recovery. The SECC further argues that the legacy of apartheid is not being addressed but rather is entrenched and even strengthened by the current government's policies through companies like Eskom. The principle of cost-recovery makes the cost of services to poor communities higher than the cost to well-off communities. More affluent communities are more centrally located and do not have to bear the cost of new infrastructure, having benefited from subsidised public service provision under apartheid. Thus, those who were disadvantaged under apartheid continue to be so under the new dispensation. A significant number of poor people in Diepkloof township cannot afford to pay electricity bills beyond R25/per month.

To a large extent, the main reason for many respondents switching from electricity to other energy sources has been to reduce the electricity costs. The general perception one gets from the people is that electricity prices are far beyond the reach of many. Low-income households in Zone Two and Three raised further concerns concerning billing procedures, which include high prices and incorrect billing by Eskom. The billing procedure is not transparent, as many people do not understand how it works. However, the feedback one gets shows that Eskom keeps regular contact with customers, explaining how meter readers and pre-paid meters work, how electricity is billed. It would appear that the effort Eskom is making is not bearing any fruit, as some households also seem to consider factors surrounding fuel mix to avoid high electricity prices. The gradual rise in electricity prices over the years has contributed towards people incurring arrears.

Although, poor people complained about electricity prices, the more affluent residents from Zone Five are, however, happy with the current electricity prices arguing that current electricity prices are reasonable and affordable. The policy reforms still favour the affluent at the expense of the poor. The interview with Eskom managers showed that compared to the rest of the world, electricity prices in South Africa are very low in absolute terms (Figure 6.1). In addition, domestic electricity prices are affordable to everyone especially since Eskom has introduced pre-paid meters where customers buy what ever they can afford. This is a very interesting generalisation when one looks at the present socio-economic status of many people in Diepkloof particularly in Zone Two and Three.

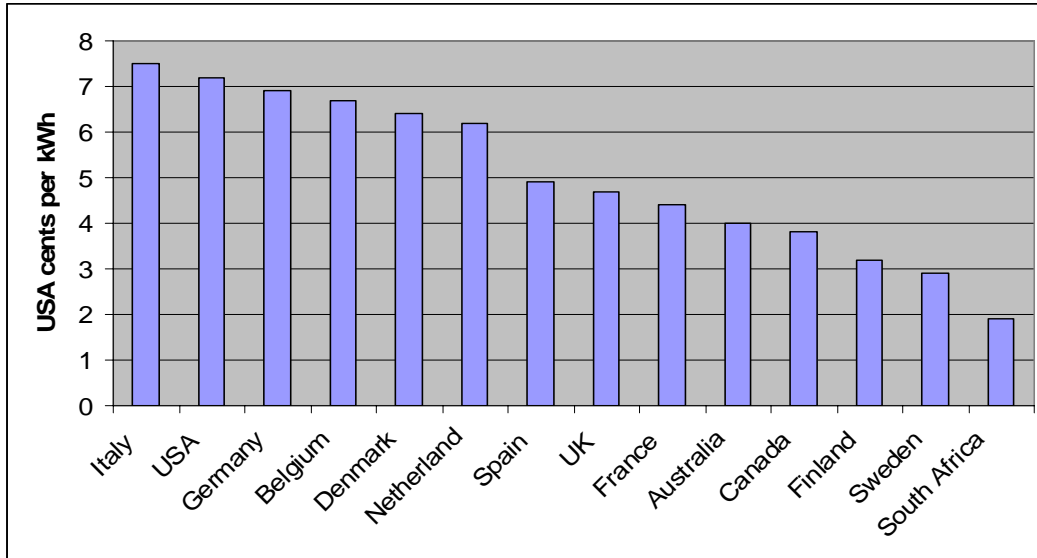


Figure 6.1: South Africa electricity prices compared to world prices (Eskom, 2004)

The price of electricity is a very emotional and contested issue that affects everyone involved. The interview with the Eskom customer manager acknowledged the complexity underlying electricity prices by giving the following example.

*“...therefore, people must be aware that electricity price increase is a necessity for our business to provide quality services” (Interview with Eskom Manager, 2006).*

The fact that Eskom has been privatised makes it very difficult for the ordinary people to have their say on the price increase since the price increase is regulated by the National Electricity Regulator (NER). To make matters worse, Eskom continues to increase their electricity prices at a rate higher than inflation (NER, 2004). It can be argued that people want government and service providers to acknowledge that their needs are more than just basic needs but are rather based on complex social and cultural contexts. In fact, the idea is that policy reforms must address the energy price increase based on a particular way of life in which there are particular things to be done and particular ways of doing them.



In conclusion, Eskom has an average electricity price increase every January. The average tariff increases for the last 15 years are indicated in Table 6.1. In certain cases, reportedly due to structural adjustments changes, were higher or lower increases than the average tariff increase. The next section gives a detail discussion that has been created by the policy reforms in South Africa.

**Table 6.2: Eskom average tariff increase for the past 15 years (Eskom, 2005)**

Year	Average tariff increase	CPI
1989	12.00%	14.51%
1990	14.00%	14.29%
1991	8.00%	15.57%
1992	9.00%	13.67%
1993	8.00%	9.87%
1994	7.00%	8.82%
1995	4.00%	8.71%
1996	4.00%	7.32%
1997	5.00%	8.62%
1998	5.00%	6.87%
1999	4.50%	5.21%
2000	5.50%	5.37%
2001	5.20%	5.70%
2002	6.20%	9.40%
2003	8.43%	7.40%
2004	2.50%	1.40%
2005	4.10%	4.90%

### **6.5 Pressing issues behind electricity crisis in Diepkloof**

There are many pressing issues that constrain household energy consumption in urban South Africa and they leave a question mark on the effectiveness of the current energy policy. As highlighted above, affordability and culture is the key problem for poor people who wish to benefit from access to electricity. Affordability of both electricity

and equipment also constrains improvement in living conditions and the welfare of many people. The 1998 Energy White Paper recognises the high demand for modern and affordable household energy services in poor urban areas. Surprising enough, the Energy White Paper says nothing about local culture and energy consumption and this is of course a concern.

*“..modern household energy consumption is important. Everyday domestic life and activity in the home is inconceivable without energy. But poverty limits energy use and so long as this ...continues, access will be hindered”(Energy White Paper, 1998).*

Hidden under affordability problems are numerous other pressing challenges, which make the policy vision of affordable energy for all an empty vision for many poor people. However, one of the main concerns of the Energy White Paper is poverty eradication with the task of finding energy solutions to these problems. Being unable to afford electricity alone creates a cycle of arrears, billing disputes, electricity cut-offs and illegal-reconnections, which impact negatively on poverty reduction on the one hand and cause consumer dissatisfactions and political instability on the other. The next section critically analyses the impact arrears have on the community under study.

#### ***6.5.1 The impact of arrears in Diepkloof***

The inability to pay for basic services like electricity has resulted in an accumulation of arrears, electricity defaulting and cut-offs for many poor households in Diepkloof. In a survey conducted in Soweto by Fiil-Flynn and SECC (2001) established that average monthly bills in the sample households ranged between R 150 (summer) and R 500 (winter). According to Statistics South Africa (2002) 40 percent of the households in Soweto had a family income less than R1000.00 and over a half had less than R1500.00 per month. Given the average income levels in Soweto and the need to provide for other basic needs such as food, shelter and water, many households fail to pay these bills including electricity bill. As a consequence, 89 percent of the sample household in the above-mentioned study had electricity arrears, 30 percent of them owing more than

R 10.000.00 an amount that is effectively un-payable given the household income in the area. It is a surprise that some of these arrears date back to the 1980s and the “rent boycotts” of the anti-apartheid struggle (Malzbender, 2005). Although it was agreed in negotiations with civic organizations that Eskom would write-off half of all debt accumulated to June 1995, many residents claim that Eskom did not honour the write-offs. Yet, even where the write-off is honoured, amounts are often so high, that repayment of the remaining 50 percent (and new arrears) is unrealistic.

In fact, it seems that there is much more at stake for government and Eskom when it comes to the issues of arrears and non-payment. That is why the policy supports the pursuit that all spheres of government will take serious actions to deal with non-payment.

*“..government will support electricity distributors in the establishment and implementation of sensitive but firm strategies to deal with non-payment”  
(Energy White Paper, 1998: 76)*

It needs to be pointed out that, despite identical results (non-payment of basic services), the reasons for non-payment today compared to the reasons during the apartheid era differ fundamentally. During the apartheid era, inability to afford electricity played a role, however, it was not the main driver of the rate boycotts and the often cited “culture of non-payment” (Malzbender, 2005). In the times of the political struggle against the apartheid regime, non-payment of rates and service fees was a deliberate political tool, a means of protest against the policies of the apartheid government. Today’s non-payments, as Fiil-Flynn and SECC (2001: 11) argue, cannot be linked to the “culture of non-payment” anymore and is simply a result of the real inability to pay linked to poverty. In fact, the majority of people in Zone Two and Three try to make regular payment of bills and arrears wherever their financial situation allows, but they are unable to pay the full amounts of their bills or reduce the arrears with the low or unstable incomes that most poor households receive.

*“I am owing Eskom R5000.00 in arrears from which I have to pay R200.00 every month, at the same time the price of food is very high...send my kids to school is extremely very difficult ...”(Interview in Zone Three).*

It needs to be emphasised that poor people in Diepkloof are facing the difficult choice of either paying accumulated arrears or food purchases. Poverty is amongst the factors preventing the widespread use of electricity as a domestic fuel type. In a nutshell, poverty is the main difference to which policy speaks in South Africa. It is the eradication of poverty that policy makers believe will ultimately lead to the removal of difference in our society, and will open the way for a new national identity. In view of this, policy reforms should consider alternative energy sources as a solution for the poor people while they fighting embedded poverty. The situation is different in Zone Five, where many people afford to pay their electricity bills and their arrears regularly.

### ***6.5.2 Electricity cut-offs in Diepkloof***

The shift in energy policy from cross-subsidisation to cost recovery resulted in taking services beyond the reach of many households in poor communities. Cross-subsidisation refers to the provision of basic social services by the state while cost recovery strategy calls for a lesser role of the state in the provision of basic social services (Thoka, 2001). The introduction of cost recovery measures led to the privatisation of state-owned companies such as Eskom, Transnet and others. This has led to the accumulation of payment arrears and subsequently to the disconnection of service by Eskom from thousands of households in poor communities. An interview conducted with a household in Zone Two who experienced cut-off said;

*“Failure to pay for electricity results in family crisis, spoiled food and the outbreak of disease in the area...”(Interview in Zone Two)*

Indeed cost recovery measures have impacted significantly on the poor residents of Diepkloof resulting in electricity cut-offs and the removal of cables of thousands of

electricity defaulters. It is evident that many people in Zone Two and Three have been subjected to all kinds of difficult challenges. Indeed, there is no expressed right stated in the Energy White Paper regarding electricity cut-offs. However, what is highly emphasised by the energy policy is that government will take responsibility against non-payers and assist service providers in dealing with this problem. It does not advocate the cut-off as the solution. Accordingly, the interview with a senior member of SECC about electricity cut-offs gave a very complex understanding.

*“... electricity provision is a right to the community as stated in the constitution, but it came as complete cut-off when people could not afford to pay for electricity. Hence, for most residents, cut-offs came without a warning. In most cases, respondents were angry because cut-offs happen when they were not at home” (Interview with senior member at SECC, 2005).*

For those who are not financially able to make payment arrangements with Eskom, the cut-offs often lead into a cycle of worsening poverty. In order to meet their basic electricity needs people make illegal grid-connections. Interestingly, in about half of these cases, the illegal connection was done by the same Eskom employees who had originally disconnected the resident, usually at a charge of up to several hundred Rand (Fiil-Flynn and SECC 2001). People in Diepkloof responded from this massive cut-off by illegally reconnecting to electricity. The focus now turns to the exploration of illegal reconnection to electricity in Diepkloof.

#### ***6.5.4 Illegal electricity reconnections in Diepkloof***

Several people in 2001-2004 participated in street demonstrations to demand the provision of free electricity to those who cannot afford to pay for themselves. They further demanded a continued provision of basic services regardless of payment and, in a more activist vein, illegally re-connecting those who have been cut-off due to the inability or willingness to pay. The Chairperson of SECC described illegal reconnection as a campaign that people use to get back their electricity. Many people interviewed in Zone Two and Three claimed that they were not worried about the implication of such

action. When the SECC started these illegal reconnections, SECC asked people how many were illegally connected. Some were afraid to respond at first, but were relieved to learn that there are many people who are connected illegally. Also, the senior member of SECC noted that people in Zone Two and Three often intimidate Eskom employees who come to disconnect electricity. These people were very emotional and very worried about their wellbeing. Some of their concerns were:

*“...very terrible to have your electricity cut-off without having alternatives, it causes all sorts of problems: in most cases our food get spoilt, and medication, health hazards, trauma” (Interview with housewife in Zone Two, 2005)*

Interviews with respondents in Zone Two and Three show that most households are switching back to dirty energy sources as a solution to this crisis. The majority of the respondents are using coal stoves, imbawula and paraffin stoves, which have proved to have adverse health and environmental consequences. This undermines healthy living conditions and as such creates a health hazard, trauma and costs life complication such as lung cancer and eye irritation in the society. It is for these reasons that thousands of people in Diepkloof are illegally reconnecting electricity and sometimes quarrel with Eskom officials when they cut-off electricity.

The customer services manager at Eskom gave a different perspective regarding the issue of illegal reconnections. Illegal reconnections make the consumption of electricity very difficult as these reconnections cause interruptions in terms of the oversupply of power and systems failure. It is true that the system sometimes fails to handle power, not because of poor supply, but because of overload, due to illegal connections. People experience power outages and put the blame on Eskom, whilst the root cause is the illegal reconnection of electricity. As a result, the impact of illegal reconnections even extends to non-defaulters. The next section examines the perception of Diepkloof communities towards electricity prices.

## **6.6 Constitution and socio-economic rights to electricity**

Given the social and economic benefits attached to household electricity provision, the big question is whether access to affordable electricity can qualify as a socio-economic right to which all citizens are entitled. Such socio-economic rights are clearly spelled out in the national constitution. Some of these rights however, are rights to basic services such as the right to sufficient water in section (2) (B) of the constitution. The constitution does not yet contain an expressed right to have access to electricity. However, the Centre for Applied Legal Studies (CALS, 2003) argues that certain pro-poor measures relating to the problem of affordable electricity can be derived from a constitutional right to equality. From this point of view, pro-poor activist groups such as the SECC campaign for more affordable electricity and better service delivery to the poor. An in-depth interview with the SECC secretary shows an exploration of the constitution to bolster their position.

*“As SECC we adopted the slogan ‘electricity is a right not a privilege’.....this was to try and make people aware of their rights as this is enshrined in the national constitution related to electricity.” (SECC secretary, 2005).*

The SECC asserts that electricity is a right not a privilege because electricity is enshrined in the Bill of Rights of the South African Constitution Act 108 of 1996, which people are to live in an environment that is not harmful to their health and well being. The idea does not seem to stem from confusion and carelessness but rather from a conscious strategy attempting to annex electricity as the least of socio-economic rights. The Chairperson of SECC noted that people are being cheated of their rights to basic services. He claims that the present government only considers what suits the rich people as a right rather than the rights of poor people. He also claims that Eskom’s actions were undemocratic because Eskom disconnects electricity in their absence.

Several respondents in Zone Two and Three raised the issue of democracy and rights every time they discussed their experiences of electricity cut-offs. According to them

democracy means they must have access to basic services like electricity. They say people voted for this government so that it will protect their interests and create an enabling environment for everyone to work in order to afford services with ease. Also, the SECC secretary during the interview lambasted Eskom and government on this issue at length and challenged these institutions to redefine basic rights and allow people to access basic services like electricity and water at an affordable rate. The 1998 Energy White paper laments the fact that due to general service backlogs during the apartheid era, the majority of people in the country still do not enjoy the benefit of electricity.

A customer service manager at Eskom argues that people must learn to be responsible for their actions, people always talk about rights and forget that rights come with responsibility.

*“It is quite true that people have rights to electricity but not to free electricity, however, their responsibility is to pay for electricity once it is provided for the continuous service provision. People must direct their anger and frustration to the national government to seek the clarification on the issue of rights not to Eskom” (Interview with Eskom, 2005).*

### **6.7 Energy saving and conservation**

Energy saving has been part of the energy policy strategy to solve problems related to affordability. The policy states that government commits itself to the promotion of energy efficiency awareness in households. It happens both involuntarily and through outside interventions. Involuntary energy saving is where households who are facing economic hardship, switch to alternative lower quality energy forms which are perceived by the households to be less costly, in direct financial terms. Households facing this problem cook few hot meals, and avoid space heating in order to save electricity. Also, poor households use a range of fuels because electricity is found to be more cost effective. It is becoming apparent that, contrary to initial expectations, grid electrification may not satisfy all energy needs of low-income households. The high cost of appliances, their lack of multi-functionality and the relatively high cost of thermal end



uses like cooking and space heating obviously constrains poor households to adopt efficient involuntary energy saving. Multiple fuel use is highly practical in Diepkloof as people switch from using electricity to coal and fuelwood especially for cooking and heating. These are some involuntary energy management strategies.

An interview conducted with a customer service manager at Eskom highlighted some interventions introduced by Eskom through demand side management strategies. Such interventions include the Electro-Wise Campaign, which aimed to educate people about saving electricity and using electricity safely within the home. He further explored the question of energy saving initiated by Eskom and noted that Eskom is running an educational campaign in Diepkloof and the greater Soweto to try and reduce people's consumption of electricity.

*“This campaign says ‘use what is in your pocket’. People are getting advice on how to save electricity and some people come to the offices to thank Eskom for initiating this programme. Some of the advice begins: require people to drink water instead of tea or don’t boil more than a cup of water when you need only one cup” (Interview with Eskom manager, 2006).*

The emphasis on the importance of education by Eskom is evident, even in their recent survey, conducted to determine why the household principal members do not attend Eskom's customer education sessions, which are being conducted in their townships. The survey revealed that many respondents lack awareness of Eskom campaigns within their areas. Others mention reasons related to wanting to attend but having no time, while others complain that the venue for education session is too far away for them. The second objective was to evaluate the level of satisfaction of those respondents who attended Eskom customer education sessions that were conducted within the research period. The outcome of the survey shows that respondents felt it important for people like themselves to attend the education sessions (Eskom, 2005).

## **6.7 Summary**

Chapter six presented a critical analysis of energy policy and series of debates, which arose during the in-depth interviews with various stakeholders and members of the community. The first section discussed free electricity for the poor people, which intended to provide the poor with free basic electricity. This initiative came after a realisation from this energy policy that it could indeed alleviate poverty and affordability crisis. Second, there was also a need to discuss challenges facing FBE policy in relation to access to electricity. Among these issues, arrears, billing disputes, cut-offs, illegal reconnection came up as the most serious issues that needed to be discussed in this report.

The cost of electricity led to a situation where many struggling households had to resort to other forms of energy like coal, fuelwood and paraffin. As a result, residents hardly use electricity for cooking and heating, but use it for lighting and entertainment. The high prices undermines household security, and personal comfort, hence increase people misery. This brings us to the affordability issue, which has played a key role in deciding energy consumption behaviour in many poor households. During the in-depth interviews respondents noted very serious concerns about their well being because of unemployment and social crisis. Some also resorted to reducing their electricity usage to try and solve the crisis. As a result, the impact of the socio economic crisis as well as cultural belief is very real, as the effectiveness of the energy policy is tested.