

**Community Struggles Concerning 'Pre-Paid' Water Meters in Phiri.**

**Researched By**

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## TABLE OF CONTENTS

Declaration	i
Dedication	ii
Acknowledgements	iii
List of Abbreviations	iv
List of Figures	v
List of Tables	vi
Abstract	vii

### **Chapter One: General Introduction**

1.1. Introduction	1
1.2. Aim of the research	2
1.3. Research questions	2
1.4. Rationale of the study	2
1.5. The case study rationale	3
1.6. The research site	4
1.6.1. The location of Phiri	4
1.6.2. The demographics of Phiri	5
1.7. Methodology	6
1.7.1. The ways into the research	6
1.7.2. Case study approach	7
1.7.3. Interviews	7
1.7.4. Focus group discussions	7
1.7.5. Ethical considerations	8
1.7.6. Limitations of the study	8
1.8. Research report outline	8

### **Chapter Two: Literature Review**

2.1. Introduction	9
2.2. Contextualising Privatisation	10
2.3. International case studies on water privatisation	14
2.3.1. Private Sector Participation (PSP) in Latin America	14
2.3.2. The case of the Mexico City Metropolitan Area	15
2.3.3. The Birmingham case study	16
2.3.4. The Namibian case study	16
2.3.5. The Ghanaian case study	16
2.4. The local context of water privatisation	17
2.5. Changing patterns of development in South Africa	18
2.5.1. The RDP and GEAR Strategy	19
2.6. Responses to privatisation	20
2.7. State's rationale for privatisation	21
2.7.1. IGoli 2002 and Joburg 2030	22
2.8. The benefits of water privatisation	23
2.9. The prepaid water meter system	24
2.10. Unpacking the legal provisions on human rights to sufficient water supply and development	26

2.11. The negative impacts of water privatisation	29
2.11.1. Social implications of PPWMs	29
2.11.2. Economic implications of PPWMs	30
2.11.3. Environmental implications of PPWMs	30
2.12. Social citizenship and water privatisation	30
2.13. Public participation and social citizenship	31
2.14. The contribution of social movements in the context of PPWMs	32
2.15. The impact of privatisation on communities	34
2.16. Struggles concerning prepaid water meters	35
2.17. Conclusion	35

### **Chapter Three: Research Findings**

#### **3. Water provision and responses in Phiri 38**

3.1. Introduction	38
3.2. The role of Johannesburg Water in the delivery of water in Phiri Township	38
3.3. Operation Gcin'amanzi	40
3.4. How do PPWMs work?	43
3.5. The installation of PPWMs	44
3.6. Positive impacts of PPWMs	46
3.7. Negative impacts of PPWMs	48
3.8. Conclusion	53

### **Chapter Four: Research Analysis**

#### **4. Resistance to the privatisation of water services 55**

4.1. Introduction	55
4.2. Water as part of social citizenship rights	56
4.3. Public participation and water service delivery in Phiri	57
4.4. Activism against water meters	59
4.5. The role of social movements in the promotion of rights to social services	61
4.6. Local struggles concerning prepaid water meters	64
4.7. Conclusion	70

### **Chapter Five: Research Analysis**

5.1. Defending social citizenship rights	72
5.2. Merging the power-base in the supply and accessibility of basic services	73
5.3. Discussion and Conclusion	75
5.4. Appendices	77
5.5. List of References	78

**Declaration**

The research described in this research report was carried out in the School of Geography, Archaeology and Environmental Studies, University of the Witwatersrand, Johannesburg; from February 2004 to February 2008 under the supervision of Dr Teresa Dirsuweit.

This research report represents original work by the author and has not been submitted in any form to any other university. Where use was made of the work of others it has been duly acknowledged.

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Submitted on the.....day of.....200.....

Signature of Candidate

## **Dedication**

I dedicate this research report to four most important people in my life. First, I would like to say thanks to my Grandmother who, ever since my childhood, always encouraged me to go to school. Second, my Mother who, regardless of our distance apart, stood by me when I needed her the most, ensuring that even if she cannot physical be there to inspire me, I always get what I needed to hang on and never relinquish on my desires and ambitions in life. Third, my Uncle and his Wife who provided me with immediate necessities when it was mostly impossible for me to do by myself; giving me financial and emotional support, providing shelter for me and offering parental guidance when my parents were distant from the intellectual environment I made for myself.

Without the support of these people, reaching this far in life would have been a *pie in the sky*.

**And to all members of my family: “ke leboga go ba gona ga lena mo bophelong bja ka”.**

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Most importantly, I value and appreciate the efforts my respondents showed in the data collection process that essentially informed my research report. Apart from the research study seeming controversial, I am particularly grateful to all those who showed interest in it for the outstanding contribution they have dedicated during the data gathering process leading to the final production of this research report.

And last but not least, I would like to thank a very close friend of mine, Lefi Mabitsi, for having provided the most absolutely crucial facility necessary to fulfil the goals and objectives of this study.

Thank you all,

## List of Abbreviations

ANC	African National Congress
APF	Anti-Privatisation Forum
ARS	Agricultural Research Station
CAWP	Coalition Against Water Privatisation
CBO	Community-Based Organisation
CSO	Civil Society Organisation
DWAF	Department of Water Affairs and Forestry
FBW	Free Basic Water
GEAR	Growth Employment and Redistribution
GJMC	Greater Johannesburg Metropolitan Council
IMF	International Monetary Fund
JW	Johannesburg Water
JOWCO	Johannesburg Water Company
MEDCs	More Economically Development Countries
MSP	Masibambane Support Programme
NGO	Non-Governmental Organisation
PDG	Palmer Development Group
PP	Public Participation
PPP	Public-Private Partnership
PPWM	Pre-paid Water Meters
PSP	Private Sector Participation
RDP	Reconstruction & Development Programme
RSA	Republic of South Africa
SACP	South African Communist Party
SECC	Soweto Electricity Crisis Committee
WSS	Water Supply & Sanitation
WSSD	World Summit on Sustainable Development

## List of Figures

Figure 1: A map of Johannesburg showing Soweto Township on the south-western part of Central Johannesburg	4
Figure 2: Street Map of Phiri Township, bordered and surrounded by Mapetla, Molapo, Chiawelo, Senaoane and Moroka Townships in Soweto	5
Figure 3: Operation Gcin'amanzi's billboard located at Senaoane Administration	42
Figure 4: Prepaid Water Meter Tag	44
Figure 5: A model of prepaid water meter in Phiri	45
Figure 6: Critiquing Johannesburg Water's Operation Gcin'amanzi campaign	66
Figure 7: Do not privatise our water	67

## List of Tables

Table 1: Age recode (derived) by Sex for Person weighted, Phiri	6
Table 2: Breakdown of water tariffs	39
Table 3: Frequency of household's basic water use	50
Table 4: Monthly household income	53
Table 5: Illustrating different sources of income	55

## **ABSTRACT**

South Africa, like numerous other developing countries throughout the world, faces increasing demands for public services in urban areas (Rondinelli and Kasarda, 1993). South Africa's access to basic services such as water has clearly become part of social security/ citizenship. The research report investigates and elucidates the role of privatisation in the basic service delivery context. It argues that the GEAR policy framework blocks the resources required to achieve social citizenship (Cock 2000). This gave rise to community struggles concerning prepaid water meters in Phiri, Soweto. These struggles are examined and competing discourses surrounding public versus private sector participation in basic service (water) provision are also explored.

The argument in this research report is two-fold. First, it establishes a view of water as an economic good, with the democratic government reducing the municipal problems of delivery to economic markets or private corporations. Second, it examines the perspective that water is a human right issue contained in the Bill of Rights. These two counter-arguments perpetuate struggles in relation to access, affordability and supply of water. The research seeks to examine these opposing arguments and further explores the impacts these struggles have on future delivery and access of such 'life need' as water. This exposure is done through the collection of Secondary data and empirical evidence obtained using various qualitative data gathering techniques.

Although the advantages of prepaid water meters are recognised, the dominant argument in this report is in line with Dependency Theory. This maintains that the socio-economic inequalities as well as the socio-environmental injustices widespread in the policies of privatisation exclude various sectors of the population from full access to essential necessities such as water. These injustices are rooted in the fact that water is treated as a commodity to be sold and not as a basic human right (Maema 2003). To deny water to people reduces their citizenship and therefore the achievement of full citizens' rights for the community of Phiri has become one of the crucial barometers for the realisation of the depth and sustainability of South Africa's democracy (Khunou 2000). The research findings obtained suggest that the government does realise its responsibility to provide basic water services. Nevertheless, it delegates this responsibility to private institutions; hence making it an individual responsibility to gain access to water at a cost. This form of attempt in South Africa gives a clear reflection of Adam Smith's "commercial society" which is

encompassed and endorsed by privatisation and the capitalist endeavours. However, this is in contrast with the principles enshrined in the constitution of the Republic of South Africa, which mandate the government to ensure the progressive realisation and maintenance of access to available basic services. The research report, however, suggests that some educational programmes need to be developed and promoted to inform and equip the public on how best to preserve water. This endeavour is gradually envisaged under the auspices of emerging corporatised utilities.

## CHAPTER ONE

### 1. GENERAL INTRODUCTION

#### 1.1. Introduction

*A man can defend his rights effectively only when he understands what they are, and how to use the constitutional machinery which exists for the defence of those rights, and knowledge of this kind is part of development- Julius Nyerere (1968).*

In the White Paper on local government, and in many other subsequent policy statements, the South African government makes a strong argument for new approaches to municipal service delivery through 'privatisation'. It has also made the provision of municipal service delivery a key part of the Reconstruction and Development mandate and has made important strides in this regard (McDonald 2002). By the end of its first term of office in 1999, the African National Congress (ANC) claimed to have provided three million people with access to potable water and built new homes along with relevant service infrastructure (Khosa 2000; McDonald 2002). However, the number of South Africans without adequate water services still remains in the millions, and many new infrastructure schemes have fallen into disuse because of lack of operating funds, technical problems, and/or cut-offs due to non-payment (McDonald, 2002).

The provision of potable water is regarded as a priority for the ANC government. However, this provision has been highly uneven and sometimes unreliable (Hallowes et al, 2002). In its strategy to provide water to urban areas, the government opted for the *deregulation* and *outsourcing* of its municipal service provisions to the private sector. The Growth, Employment and Redistribution (GEAR) strategy became the new government's initiative to oversee the role of the private sector in basic service delivery such as water. The success of these privatisation schemes has been uneven. In some cases they have worked well but in many others they have had a number of negative impacts. The privatisation of water services in some poorer areas has rendered water unaffordable. The push for cost recovery for water services has forced many families to use water sources like stagnant ponds, a practice detrimental to individual health and well being (McDonald, 2002).

There are various positions on water, ranging from those viewing water as an 'economic good' to those viewing water as a 'human rights'. These different positions will be examined in this project. Second, the

argument underpinning current public policy programmes in the water sector will be challenged. These policy programmes suggest that the key factor explaining the water crisis is the failure to treat the resource as an 'economic good'. They also maintain that the solution to water crises lies in the full marketisation of this resource and associated services (Castro 2004). The project also establishes whether the expansion of private sector participation in the water sector has exacerbated conflicting interests between the public and the private (i.e. free and affordable water consumption versus access to profit). The two main theories relevant to this research are the Modernisation and Dependency Theories. The project further explores the social, economic and environmental implications of privatising municipal services delivery such as water. These implications lead directly into an investigation as to whether communities were informed about the installation of prepaid water meters. The experiences of Phiri community residents relating to water privatisation will be explored. A key focus will be on community struggles concerning prepaid water meters in Phiri.

## **1.2. Aim of the Research**

The aim of the research is to examine the impacts of communal pre-paid water meters on the Phiri community.

## **1.3. Research Questions**

The following critical questions will be investigated:

- 1) How and why have local governments in South Africa transformed their roles in service delivery?
- 2) What are the merits and demerits of privatisation and what is the role of social movements in revealing these aspects?
- 3) How do pre-paid metering systems affect community participation in service delivery? What are the mitigating measures against the negative effects and potential strategies to encourage the positive effects of prepaid water meters?

## **1.4. Rationale of the study**

The South African democratic government is perceived by many (i.e. political and social activists, NGOs, Anti-privatisation Forum, academics and researchers) as a country that subsidises rich and powerful countries of the west. It is argued that South Africa authorises permission for the rich countries of the west to gain access and profit from its resources/ services. Privatisation (the dominant policy paradigm in

developing countries like South Africa) is currently making the price of water (and other basic services) unaffordable. Privatisation is seen as a legitimate way to encourage prepaid water meter installations. This is seen to exacerbate inequalities and undermines the democratic rights of the people (McDonald, 2002).

On the other hand, the South African government endorses privatisation as a policy to deal with municipalities' lack of capacity to deliver basic services in tandem with an unprecedented increase in public demands. According to official statements by government, privatisation is needed to an extent that it helps to deal with municipalities' perpetual underperformance. The government supports privatisation- the neoliberal policy and the 'Washington Consensus' (free market mantra of the 1980s)- in an attempt to address the crisis (in terms of unmet needs by the public). This consensus between the International Monetary Fund (IMF), the World Bank (WB), and the United States Treasury about the 'right' policies for developing countries- signalled a radically different approach to economic development and stabilisation (Stiglitz, 2001). According to Barlow et al (2002) the Washington Consensus was a model of 'economics' rooted in the belief that liberal market economics constitutes the one and only economic choices for the whole world. Key to this 'consensus' is the commodification of 'the commons' [every thing is for sale, even those areas of life such as social services and natural resources, that were considered the common heritage of humanity] (Barlow et al, 2002). However, the liberalisation of the state's assets has, too often, not been followed by the promised growth but has resulted in increased misery (Stiglitz, 2001). In South Africa, this notion is investigated using the case study of Phiri, Soweto.

### **1.5. The Case study rationale**

The current situation in South Africa can be summarised as- 'services have improved [since 1994] but prices have increased so much that people cannot afford to pay for them' (Fiil-Flynn in Paley, 2003). This is painfully obvious in the case of prepaid water meters in Phiri. Phiri Township is an excellent example of the effects of privatised prepaid water meters in poor communities. Phiri is one of the townships locally known to be deeply affected by the government's push towards privatisation. It is a township composed of different ethnic and income groups.

**1.6. The Research Site**

The introduction of prepaid water meters in Phiri, Soweto, has been the pilot of Johannesburg Water’s Operation Gcin’amanzi campaign. The Operation Gcin’amanzi campaign was launched in September 2003 with the aim of improving water service delivery, not only in Phiri but also in other townships of the Greater Johannesburg Area (Indymedia 2004). Johannesburg Water (2005) argues that it made sense to begin the Operation Gcin’amanzi project in Soweto because this area has the highest volume of unaccounted for water in Johannesburg. Phiri Township has been chosen for the first phase of the project because this is the area where the water infrastructural network is currently at its weakest (JW’s Public Education Manual 2004).

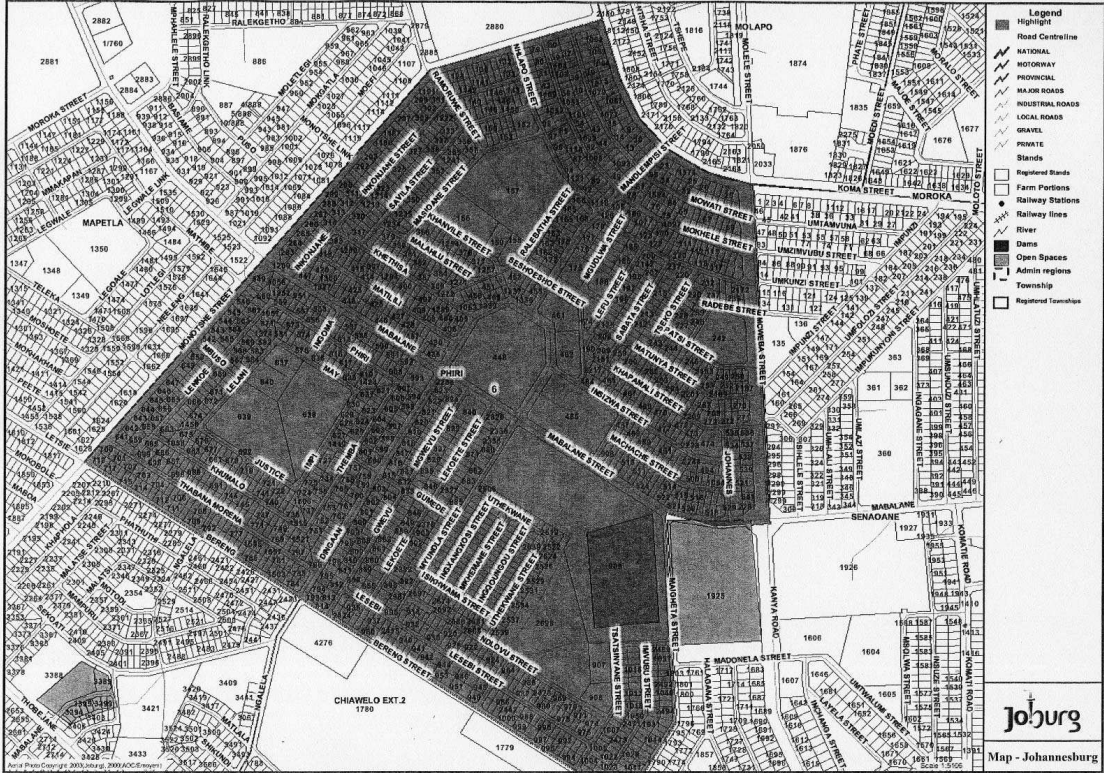


**Figure 1:** A map of Johannesburg showing Soweto Township on the south-western part of Central Johannesburg (source: [www.joburg.org.za/](http://www.joburg.org.za/) Johannesburg site map).

**1.6.1. The location of Phiri:**

Phiri is a township located in the middle of greater Soweto, bordered by Mapetla, Molapo, Chiawelo, Senaoane and Moroka townships. Johannesburg Water chose a community such as Phiri to kick-start their campaign of installing water prepayment to turn Soweto into a prepaid, ‘debt proof’ township (Public

Citizen 2004). Phiri Township has thus been seen as a test case for Johannesburg Water’s Operation Gcin’amanzi (Independent Media 2004).



**Figure 2:** Street Map of Phiri Township, bordered and surrounded by Mapetla, Molapo, Chiawelo, Senaoane and Moroka Townships in Soweto [see also Appendix 1] (from Johannesburg Metropolitan Municipality, GIS Section, Metropolitan Centre).

**1.6.2. The Demographics of Phiri**

Phiri Township was established during the late 1950s, as an ethnic enclave for people designated as Sothos and Tswanas by the apartheid state (Public Citizen 2004). During the 1990s Phiri had 1,963 backyard dwellings- almost one on every stand (Morris 1999). Currently, the situation has been aggravated by the influx of people from rural areas, usually attracted by the perceived variety of opportunities available within the Gauteng Region, and most notably in the City of Johannesburg. Housing shortages in the rural areas also made this large movement of people inevitable. Today, Phiri has a population density of 181 persons per hectare (see Table 1), almost twice as dense as Chiawelo, Senaoane and Moletsane- nearby sub- areas (GJMC, Planning Information Service, 1997 and Census 1996; CAWP 2004). Phiri Township is one of the poorest sections of Soweto (CAWP, 2004).

## Age Range

**Table 1:** Age record (derived) by Sex for Person weighted, Phiri (Stats SA, Census 2001).

Age Range	Male	Female
0-4	687	725
5-9	659	651
10-14	696	728
15-19	746	829
20-24	938	955
25-29	906	911
30-34	809	708
35-39	623	601
40-44	530	524
45-49	312	434
50-54	288	372
55-59	206	327
60-64	137	280
65-69	80	211
70-74	61	167
75-79	43	126
80-84	28	118
85+	13	41

## 1.7. Methodology

### 1.7.1. *The ways into the research*

A number of qualitative research techniques were used to gather primary data. Creswell (1994, 1) defines qualitative research technique as “an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting”. Qualitative methodology has a two-fold objective: on the one hand, qualitative research technique attempts to construct social reality as is experienced by the people being studied (Neuman 1997; Creswell 1998). On the other hand, qualitative research emphasises the importance of social context for understanding the social world (Neuman 1997, Maema 2003). This method of data collection provides insight into the perceptions and experiences being explored, which might have been difficult or perhaps impossible to collect through quantitative research methodology (Maema 2003).

### ***1.7.2. Case Study Approach***

The selection of a case study is one prime aspect of investigating a phenomenon. In this study, interviews and group discussions were used to collect data from the research site. Participatory observation (through attending community meetings and liaising with community members) was also used to further gather viable and unbiased or neutral information that essentially informed the research study. A number of 'site visits' were undertaken to familiarise the researcher with the research site. Site visits provide ample opportunities to profile Phiri, to acculturate the researcher within the community under study as well as to create a conducive and encouraging research environment.

### ***1.7.3. Interviews***

Unstructured interviews were held with the residents of Phiri (and very few with the village of Sekonye) in order to gather residents' feelings and experiences regarding the communal prepaid water metering system. Formal and informal interviews were also conducted with officials from various public and private sectors involved in service delivery, and in particular, water. These include the City of Johannesburg (CoJ), the Johannesburg Water Company (JW), and Rand Water. Social movements such as the Anti-Privatisation Forum (APF), Coalition Against Water Privatisation (CAWP) and the Soweto Electricity Crisis Committee (SECC) were consulted.

### ***1.7.4. Focus Group Discussions***

As a form of qualitative research, focus groups are basically group interviews with the reliance on interaction within the group, based on topics supplied by the researcher, who typically takes the role of a moderator (Morgan, 1988). According to Morgan (1988) the main advantage focus groups offer is the opportunity to observe interactions on a topic in a limited period of time. Within group discussions the intention is to prompt group members to think and express their views and opinions regarding prepaid water meters in a critical manner. Questions are usually focused around a specific topic or issue. According to the Foundation for Professional Development (2006, 54) focus groups can be a way of gathering opinions from quite a large sample of people. There were random selections of community members who voluntarily participated in discussions around water privatisation and prepaid water meters.

### ***1.7.5. Ethical Considerations***

Confidentiality was maintained in the analysis of data. Respondents' names were not disclosed in the research report and they were assigned a number. General questions and issues discussed involved the privatisation of municipal services delivery, and more precisely the private control of natural and scarce resources such as water, with the claim that the private sector undertakes such delivery much *simpler, better and faster*. Approximately 100 interviews were conducted. Ethics committee protocols have been followed in this research report (Protocol No.: 50203).

### ***1.7.6. Limitations of the study***

One of the key limitations of the research was getting permission to conduct interviews with staff members at the Johannesburg Water Company, the main service provider to townships surrounding the Greater Johannesburg area. When asked for permission to conduct interviews or even speak to staff members about this study, the researcher was advised to visit the Johannesburg Water website.

## **1.8. Research Report Outline**

Chapter two of the research report explains the ways of knowing about water privatisation through utilisation and review of various literatures. These are illustrated using both local and international case studies emanating from the views for and against privatisation's prepaid water meters. These cases include Latin America, the Mexico City Metropolitan Area, Birmingham, the Namibian case as well as the Eldorado Park. Chapter three of the report engages with Phiri community (the research site located in Soweto) as a local case study to further articulate the merits and demerits of privatisation. Chapter four analyses key research findings and critically discuss data obtained from secondary sources and empirical research. Chapter five offers a general conclusion of the research report.

## CHAPTER TWO

### 2. LITERATURE REVIEW

#### 2.1. Introduction

In 1994 millions of South Africans were living without access to safe, reliable water supply and sanitation. As a result, “the magnitude of the task facing the South African government was immense especially given that delivery was to take place in an environment of rapid and fundamental change in the institutional and governmental structures required to give effect to South Africa’s new constitution” (DWAF 2002, 106).

Since 1994, South Africa’s economy has liberalised. Subsequently, basic service provisions such as water and electricity have been privatised in many South African townships. In sectors like power, this process has long been in existence, but in the water sector it is just beginning (Maluleke 2004). The literature review provides an overview of privatisation and the context of prepaid water meters. The results of other studies in this field are examined. Two contrasting views of water service delivery are portrayed. The first view suggests that water is a “basic human right”, every state should guarantee its delivery to its citizens. The other view suggests that water is an ‘economic good’- a commodity that should be governed by market forces (Aegisson 2002).

There is no universally acceptable approach for dealing with the processes of water privatisation within newly established democracies. The manner in which the prepaid water metering process has been dealt with at an international level has varied greatly and presents various ramifications from country to country. This chapter, therefore, looks at how some of the countries have dealt with the issue of prepaid water meters before. It will show that South Africa is not the only country faced with this issue and that there are lessons to be learnt from elsewhere in the world. The international and local experiences of prepaid water meters illustrated in this chapter reveal the tensions between the public versus private in basic water service delivery.

## 2.2. Contextualising Privatisation

The term privatisation is highly contested. The Palmer Development Group [PDG] (2002, 1) defines privatisation as:

the creation of separate, legal, 'privatised' entity, owned and controlled by private companies or corporations, with the explicit- presupposed objective of providing (water) services to the targeted municipality's water users. A company/ corporation that has gained control and/or ownership of municipal services thus stipulates the cost at which a resource such as water is to be consumed.

Other literature reflects similar definitions of privatisation. Spulber et al (1994, 199) defines the concept of privatisation as referring to "the transfer of ownership from public to private". Privatisation in this case is also perceived as involving the integration of ownership of an enterprise and control of its performance (usually known as Public-Private Partnerships), which raises the question of incentives for the private owner to improve efficiency (Spulber et al, 1994). Shirley (in PDG 2002, 10) defines privatisation as "the sale of state-owned assets"; a company is no longer state-owned when management control (measured as the right to appoint the managers and board of directors) passes to private shareholders. This process involves the transformation of existing public sector service providers into private control, mostly by foreign corporations and companies. The PDG (2002) further argues that privatisation also entails a process of 'commercialisation'- the process of transforming water service delivery into a commercial activity. Privatised entities thus fall under the control of private sectors, and eventually determining *how* and *who* should consume resources.

"Developing countries throughout the world are facing increasing demands for public services in urban areas" (Rondinelli and Kasarda 1993, 134) and this takes place in direct proportion to the rapid rate of population growth. Thus in recent years privatisation of services was introduced with the claim that it will produce more efficient supply chains. Currently, privatised water service utilities are in existence worldwide (PDG 2002). In fact the use of separate legal entities is seen as a fairly common approach across low, medium and high-income countries. According to Adam et al (1992, 3) the philosophy of privatisation has been embraced to the point that the superiority of the private sector in the provision of goods and services is taken for granted. Privatisation, however, can best be regarded as a medium-term supply-side policy, a logical complement to a broad strategy of private sector development, rather than as a panacea for the multitude of ills endured by developing countries (Adam et al 1992). Privatisation aims to improve efficiency in service delivery. Thus it is viewed in a number of smaller countries, as a means

through which local capital markets may be developed and domestic resources mobilisation enhanced (Adam et al, 1992).

Over the past decade, privatisation has been an increasingly important aspect of World Bank loan conditions and a major condition of public utility loans (The Center for Public Integrity, 2006). The World Bank frequently requires government leaders to privatise state-owned assets, such as water utilities, before granting loans. However, in most instances, privatisation is thought to be a top-down approach to service delivery and development, with a focus on generating revenue. This is based on the premise that “with their limited professional personnel and desperate social needs, the poorest countries are least equipped to ensure that the outcomes truly benefit all their citizens” (Ngwenya 2006). The private sector contention is that they can ensure the speedy provision of basic service delivery accompanied by full and rapid infrastructure maintenance. It is argued that this will relieve the mammoth task of infrastructure delivery and will also save the revenue of the state for other pressing issues.

According to Yitbarek and Maema, privatisation is “a wide spectrum of activities – including everything from outsourcing of services to selling off state’s assets to the private companies that manage the entities, utilities and/or enterprises along free- market principles” (Yitbarek 2004, 30-31; Maema 2003, 35).

Privatisation is linked to cost recovery, which according to McDonald refers to:

The recovery of all, or most of the cost associated with providing particular services by the service provider. For publicly owned service providers, this may or may not include surplus above and beyond the cost of production, whereas for private sector providers, it may necessarily include surplus (i.e. profit). In either case, the objective is not to recoup the full cost of production (McDonald 2002, 18; Yitbarek 2004, 31).

The Groundwork Report (2003, 6) argues that privatisation is an aspect of ‘Modernisation Theory’, which is particularly dominant in the United States. Modernisation theory is a socio-economic theory also known as Development theory, which highlights the positive role played by the developed world in modernising and facilitating development in underdeveloped countries ([www.answers.com/modernisation%20theory](http://www.answers.com/modernisation%20theory)).

In terms of resource privatisation, it is still widely assumed that privatisation is not only at the heart of economic development but also that it holds the prospect of adding to the sum of our social wealth (Groundwork Report, 2003). This reflects a more global and deeply rooted assumption of modernity: in official and academic language, development and privatisation have now become synonymous. According to Hoogvelt (1997), Modernisation theory is historically specific to the neo-colonial period. Privatisation

here is seen as the ‘Eurocentric biases’ of the neo-classical development theories such as Modernisation because this theory perpetuates neo-colonial relations between developed and less developed countries (Anderson et al, 2000).

Modernisation theory is illustrated in Rostow’s model of development: western superpowers (G10) and powerful institutions, such as the World Bank and IMF view South Africa as a country in need of guidance towards a more developmental path, mainly through the adoption of the neoliberal policies such as privatisation. The United States was chiefly responsible for spreading the ‘neo-liberal gospel’, through its domination of the World Bank and the International Monetary Fund (Martin 1993). These powerful institutions more or less see South Africa as currently in Rostow’s ‘Preconditions for Take-off’ stage- with the process of development beginning when an elite group initiates innovative economic activities (such as privatisation) and investing in new technology and infrastructure- such as prepaid water meters- for regulating sustainable supply and adequate access to water (Anderson et al, 2000). This will help LDCs such as South Africa to catch up with the rest of the developed world.

Alternatively, ‘Dependency theory’ argues that the development policies of the metropolitan powers are self-serving and responsible for impoverishing ‘peripheral’ countries. Within this theory, various intellectuals suggest that the wealthy nations of the world need a peripheral group of poorer states to remain wealthy ([www.answers.com](http://www.answers.com)). Privatisation is perceived as a development policy that exacerbates *uneven development* (Bond, 2003) not only in the South Western Townships (Soweto) or Orange Farm but also throughout South Africa as a whole. Bond (2003) contends that ‘uneven development’ is a necessary process under capitalism by arguing that: in the same relations in which wealth is produced, poverty is produced also. Uneven development means initially that even if there is growth, distribution of such growth to citizens would still be lopsided. This takes place particularly through the proliferation of social and economic inequalities within communities themselves.

According to Dos Santos (1971, 226) dependency is defined as:

A condition which shapes a certain structure of the world economy such that it favours some countries to the detriment of others and limits the development possibilities of the subordinate economics. A situation in which the economy of a certain group of countries is conditioned by the development and expansion of another economy to which their own is subjected.

Dependency theory shows how powerful developed countries dominate dependent powerless LDCs via the capitalist system. This is because developed countries have such a strong technological and industrial advantage; they can ensure the rules of the world economy. Dependency theory also describes how industrial nations continue to take resources from developing countries (a form of neo-colonialism) hence widening the development gap (Anderson et al, 2000). The implementation of the policies of privatisation in less developed countries such as South Africa is a reflection of neo-colonial relations between the powerful and less powerful countries of the world. This development gap is clearly articulated by the 'Core-Periphery Model', which is based on the observation that within many spatial systems, sharp territorial contrasts exist in wealth, economic advancement, growth and development between economic heartlands and outlying subordinate zones (Anderson et al, 2000). Locally, these contrasts exist in the Johannesburg City and its surrounding townships such as Soweto. Dependency theory also posits that the cause of low levels of development in underdeveloped countries is caused by their reliance and *dependence* on More Economically Developed Countries (MEDC's) (<http://www.revision-notes.co.uk/revision/619.html>).

Dependency theory advocates that peripheral countries are completely dependant on core countries, resulting in their exploitation. This is similar to 'World Systems Theory' (<http://www.answers.com>). Dependency theory, unlike Modernisation theory (which sees privatisation as a national framework from the north to invigorate development in the south) regards privatisation as a 'Comprador' elite, subordinate to and acting in, the interests of the metropolitan capital at the expense of real national development (Groundwork Report 2003). This relates well to Gunder Frank's (2000, 161) contention that "at the same time that capitalism produces wealth and further development in the 'core' countries; it creates poverty and underdevelopment in the 'satellite' countries. Dependency theory further argues that privatisation safeguards the *individualisation* of things, as it is market oriented and serves to outsource state resources.

Modernisation and Dependency theories are useful in explaining some of the 'competing rationalities' embedded in service delivery. They hold competing logics or visions in terms of their endeavours to develop the underdeveloped, or provide moral grounds for the upliftment of peripheral communities through the provision of free and affordable service delivery. On the one hand, the private sector sees the public sector as ill equipped to deliver adequate services to the people. On the other hand, the public (especially the poor) sees the unleashing of market forces as wreaking havoc, because privatisation cannot

guarantee social protection (Polanyi 1944; in Hart 2002, 45). South Africa's privatisation strategy, past and present, is influenced by global forces (Groundwork Report 2003). The fourth principle of the Dublin Declaration adopted at the United Nations Conference on Water and the Environment in January 1992, states that "water has an economic value in all its competing uses and should be recognised as an "economic good" (UN, 1992b; Castro, 2004). This effectively reinforces the neoliberal agenda, which if implemented, should strengthen or support development in LDCs. However, different countries experience the impacts of privatisation or private sector participation differently at different geographical scales.

### **2.3. International Case Studies on Water Privatisation**

The purpose of using international case studies is to compare experiences, lessons and practices of privatised water service delivery. International case studies also aid us in identifying key challenges that publicly regulated municipalities are facing in this provision as well as to have a general understanding of the driving forces behind water privatisation. International case studies are useful in providing a broad-based account of the impacts of prepaid water meters on a global scale.

#### ***2.3.1. Private Sector Participation (PSP) in Latin America***

Traditionally, the provision of water supply and sanitation (WSS) services in developing countries has been the responsibility of national and municipal governments. Recently, there has been a large increase in private sector participation (PSP) as a solution to water scarcity in the 21<sup>st</sup> century (Thompson, 2001). The motivation to embrace PSP has also been driven by a belief that private sector providers may be more efficient than their public sector counterparts. This is because PSP serves to reduce costs and increase service quality and coverage (Thompson, 2001).

In 1991 in Latin America (and the Caribbean), the water and sanitation sector was facing a crisis. The return of cholera to the region in 1991 indicated deep-seated problems and exposed the fragility and inadequacy of publicly operated water supplies (Idelovitch et al, 2005). Despite substantial efforts to improve the quality and coverage of services, one quarter of the urban population was not connected to a public water system. This resulted in a constant threat to the health of the entire population, a crisis in serving basic needs of the poor and a steady deterioration of the environment.

In the face of these crises, PSP in water and sanitation started to be a topic of discussion among various countries in Latin America, especially Buenos Aires and Jakarta. PSP here became an initiative that allowed the private sector to participate in the provision of public utilities such as water. PSP in this area became a success because public water companies were also interested and supported the private sector, hence the creation of Public-Private Partnerships (PPPs) (Idelovitch et al, 2005).

### ***2.3.2. The Case of the Mexico City Metropolitan Area***

According to Castro (2004, 330), the Mexico City Metropolitan Area (MCMA) reveals a well-documented case of urban water struggles and the politics of citizenship in Mexico around the 1980s and 1990s. In Mexico the struggles also emerged as a result of conflicting interests between the public and the private regarding control and ownership of water wells. Since the early 1980s, the population in Mexico has resorted to different actions of protest and pressure in relation to problems with water and sanitation services. The valley of Mexico City has been one of the focal points of these developments (Castro, 2004). These water-related struggles have been taking place in the context of the increased mobilisation of citizens around environmental and urban issues.

In the 1917 Constitution of Mexico, water was officially declared to be a public good, but this changed over time- with scarce water resources being treated as an expensive commodity. Besides the process of commodification being incomplete in this area, the contention was that water has long been a commodity, especially for the urban poor. “The key factor underscoring access to water for millions in the MCMA is their structural incapacity to sustain an effective demand for the commodity when the market determines steep price increases” (Castro 2004, 336). This inspired radical reforms involving the deregulation and liberalisation of water and sanitation services with the aim of giving the private sector the leading role in this development (Castro, 2004). It was argued by the government here that the private sector has a vested interest in controlling the water, including the drilled wells and water networks controlled by the local community. The main objective was to alleviate the thirst of the people because the authorities were failing to deliver water services. The community, however, alleged that the private sector had bribed the mayor to facilitate the decision to change the status of water from public to private good.

### **2.3.3. The Birmingham Case Study**

In many instances, privatisation is viewed as a process that limits government's role as a regulator. O'Malley (1998, 11) argues that some people see a policy of privatisation as a means of reducing the size of the state. Here it is believed that *nationalisation* undermines economic 'freedom'. Britain, in 1992 permitted private water companies to install pre-paid meters in Birmingham. According to Monbiot (2004) the people who could not afford to flush their toilets started defecating into pots, which they then emptied out of the windows of their tower blocks (<http://www.monbiot.com/archives/2004/10/19/exploitation-on-tap/>). This shows how badly a community can be affected by the installation of the prepaid metering system. "The meters were eventually ruled illegal in 1998, on the grounds that they deprive the poor of their most important resources" (<http://www.monbiot.com/archives/2004/10/19/exploitation-on-tap/>).

### **2.3.4. The Namibian Case**

According to Barlow et al (2002) fresh water is rapidly becoming big business and a preserve of the wealthy around the world. An indepth study of privatised water service in Namibia argues that while prepaid water systems are being marketed as the solution to bad debts and water conservation, they are in fact worsening the situation of the poor (McClune 2004). Using the experiences of an informal settlement in Swakopmund as an example of the hardships people can suffer as a result of the system, the study questions whether this policy is becoming "the New Apartheid" (<http://www.irc.n1/page/9132>). According to McClune (2004) prepaid water meters have not been installed in richer suburbs or in industrial areas where vast amount of water is being consumed. The pricing and method of prepaid water supply inhibits consumption by the poor in a drastic way. The consequences and effects of the resulting lack of water in households is at times costing lives, and increasing public health expenditure (McClune 2004).

### **2.3.5. The Ghanaian Case Study**

In Ghana, students' representatives at the University of Ghana-and its Agricultural Research Station- were involved in a protest against water privatisation, arguing that neo-liberal agenda led and driven by corporates must stop (Agricultural Research Station, 2001). "Two decades of rampant structural adjustment policies and neo-liberalism has only delivered greater social inequalities and potential social disintegration as millions of able-bodied Ghanaians are denied any opportunity to lead a productive life" (Agricultural Research Station 2001, 2). Many students felt constantly threatened by the dire

consequences of privatised basic social services. They contend that private provision of services curtails the social opportunities that they still enjoy as a result of the struggle against institutionalised inequality and injustice (Agricultural Research Station, 2001). This, for most Ghanaians, came as a direct attack on the space for democratic accountability and governance in their public lives (ARS 2001).

#### **2.4. The Local Context of Water Privatisation**

Post-apartheid South Africa remains a two-tiered society marked by extremes of privilege and deprivation. The extent of this deprivation is evident in an extensive crisis, which extends into all aspects of the lives of most black South Africans (Cock 2000). For example, lack of basic services such as water has resulted in an affordability crisis. In the past decade, South Africa has witnessed marked changes in the nature of its municipal services provision. There have been substantial changes in the role and operation of the public sector, particularly in the urban areas, and the replacement of service provision by the private sector. With these changes have also come significant shifts in the configuration of urban associational life (Simone 2001). In urban communities, this is experienced through adaptation mechanisms, coping strategies, tensions and stress that emerge in relation to private control of water resources. This takes place particularly at the national and local government level.

In South Africa, privatisation has been hotly debated by the Neo-Marxists. For example, anti-privatisation activists (McKinley 2004, Fiil-Flynn 2004, Ngwane 2004) in NGOs such as the APF, CAWP and the Public Citizen; collectively contest the merits of privatisation against individual rights to basic life necessities. Within the South African context, these proponents argue that privatisation implies the anticipation of commercial orientation of the council of Johannesburg in transferring its responsibility of delivering basic services to citizens (Yitbarek 2004). Moreover, they contend that South Africa's post apartheid transition is a class-contested reality. "The capitalist class in our country, working closely with imperialist forces, seeks...to carry through neoliberal structural transformations of the economy to make it more 'competitive' within the context of imperialist globalisation" (SACP/COSATU 1999, 58). The concept of capitalism is widely used to create distinctions between people with and without economic means, or what the neo-Marxists term the 'mode of production'.

Locally, water privatisation is also supported by some neoliberal policy framework and programmes to oversee the development and implementation of relevant infrastructures to provide basic water service; for

example, ‘Masibambane’ Support Programme (MSP). The Community Water Supply and Sanitation Programme (CWSS) was introduced to address the water and sanitation backlogs. With the introduction of CWSS came ‘Masibambane’ as a water service sector support programme initiated by the Department of Water Affairs and Forestry (DWAF) with the support of donors (DWAF 2002).

The MSP signalled a new way of working together in the water service sector, including private sector providers. The name ‘Masibambane’ is an isiZulu word meaning ‘let’s work together’ and captures the spirit of ubuntu in the joint decision-making process. A central theme within Masibambane is a shift from nationally driven water and sanitation infrastructure delivery to the building of a decentralised sector. The MSP promotes consultation programmes with the people before implementing any form of development structures in the communities. Nevertheless, the programme also advocates for government’s commitment and courage to Public-Private Partnerships (PPPs) with external service providers to make people aware of the importance of protecting and sustaining what has been developed or implemented. This can further be promoted through the promotion of communication programmes in the language dominant or understandable to local communities and also introduce information centres to enhance such programmes. In summary, therefore, the MSP Programme supports of public and private sector participation in basic service delivery such as water. This is reflected in the way PPPs play a central role in the context of service delivery to the people.

## **2.5. Changing Patterns of Development in South Africa**

South Africa’s pre-1994 economic growth path was characterised by extremes of development and underdevelopment, resulting in the legacy of South Africa as a country of two nations (ANC National Policy Conference Draft Resolution 2002). During colonialism and apartheid, a crisis in service delivery emerged which was both a ‘class’ and a ‘race’ issue. During the period prior to the democratic transition, urban and rural development, and service delivery in particular, was dictated and harnessed by apartheid policies and practices which induced some of the wounds that the current democratic government has attempted to heal. Nowhere in South Africa is this clearer than in the distribution of basic services. Public action is needed to remedy this unacceptable situation, but it must be action based on a clear policy premised on the rights of all people to determine their own future (White Paper 1994). To this end the ANC government introduced the Reconstruction and Development Programme (RDP) in 1994 and the

Growth, Employment and Redistribution (GEAR) strategy to address the structural problems in South African society and to improve the standard of living (Hellberg 2005).

### ***2.5.1. The RDP and GEAR Strategy***

The Reconstruction Development Programme (RDP) was seen by the former ANC and South African first black president, Dr Nelson Mandela, as the end of one process and the beginning of another (RDP 1994). The RDP was an integrated, coherent socio-economic policy framework, which sought to mobilise all the people and the country's resources towards the final eradication of apartheid and the building of democratic, non-racial and non-sexist future (RDP 1994). The RDP was introduced to bring together strategies to harness resources in a coherent and purposeful effort that can be sustained into the future.

In the presentation of the key programmes of the RDP it is stated that: "...the first priority is to begin to meet the basic needs of the people"- one of them being water (RDP 1, 4; in Hellberg 2005, 17). However, by 1996 the RDP policy framework was disturbed by the GEAR strategy as the neoliberal policy of privatisation, which "has itself been implicated in and reinforced by the most powerful challenge democracy faces: the challenge of globalisation. For at the very moment when technology is offering the nation state new forms of direct civic engagement, it is pushing the globalisation of the economy in a manner that undermines the nation state and its governing democratic institutions" (Barber 2001, 299).

The economist mid- 2003 survey of water declared that "throughout history, and especially over the past century, water has been ill-governed and, above all, colossally under-priced...The best way of solving [the problem of residential access for poor people] is to treat water pretty much as a business like any other" (Bond 2004, 4).

The Growth, Employment and Redistribution (GEAR) strategy, launched in June 1997, reflects neoliberal economic thinking (Cock 2000). The GEAR strategy is based on fiscal constraint, slimming of the state and opening of doors to the private sector and profit-driven programmes (SACP 2000). It shifts state owned and/or controlled resources to deregulation and outsourcing under the auspices of privatisation and corporatisation (the complete sell of assets to corporate entities). This shift was nowhere more evident than in the area of local government and service delivery (Pape and McDonald, 2002).

The implementation of the GEAR strategy is in line with the Washington Consensus, a consensus between the IMF and the World Bank about the 'right' policies for developing countries. In South Africa the adoption of a new GEAR policy framework in South Africa has drastically decreased grants and subsidies to local municipalities and city councils and supported the development of financial instruments for privatised delivery (APF and CAWP, 2004). As such, this according to APF and CAWP (2004), forced the local government to turn towards the commercialisation and privatisation of basic services as a means of generating the revenue no longer provided by the national state.

## **2.6. Responses to privatisation**

Privatisation (in its various forms) is still in its infancy. It is now also at the core of municipal reforms in South Africa, indicating that it is an increasingly important factor in service delivery, with cities throughout the country implementing wide-ranging privatisation strategies in the late 1990s, and early 2000 (McDonald 2002). There have been two dominant responses to this development. At the one end of the spectrum, neo-Marxist advocacy holds that what is good for government is not necessarily good for the poor (*The Jo'burg-Memo*, 2002). The incorporation of the neoliberal strategy does not satisfy the needs of the poor but is solely centred around reducing the state's role as a service provider. Natural resources such as water have now been commodified in South Africa and elsewhere; water is now treated as a big business around the globe. Whereas, in South Africa as Monbiot (2004, 1) points out, the new democratic government introduced the GEAR strategy, which is widely seen as a self imposed structural adjustment programme: it does everything the powerful countries wanted, while creating the impression that it is all South Africa's idea. At the heart of it is the notion that 'market disciplines' will help the poor to escape from poverty" (<http://www.monbiot.com/archives/2004/10/19/exploitation-on-tap/>). But in most views, cost recovery has already contributed to the perpetuation of poverty and inequality. It also threatens to endanger the very fabric of social and economic life in a democratic South Africa. This, according to Pape and McDonald (2002) is an urgent issue, requiring both further research and social action.

At the other end of the spectrum, the business community, government and neo-liberal thinkers hold a position exemplified in the statements of the South Africa Chamber of Business on the issue, that the strategy is 'a major step in the right direction'. The South African Foundation considered it 'a creative and decisive response which speaks of courage and conviction' (Bond 2000, 83). At the local governance level, the government saw a "culture of non-payment" as the root of the municipal financial crisis, thus

stringent measures of *cost recovery* and *cost cutting* were seen as solutions. The government sees major policy shifts such as privatisation as a prerequisite for municipalities to avoid cash flow problems. While the municipalities are supposed to speed up delivery and take on new responsibilities, they remain severely cash-trapped and have serious capacity problems. As a result, the crisis in municipal government is tackled with even greater cutbacks; that is, the privatisation or the ‘outsourcing’ [The sending out or deregulation of publicly owned services, assets or resources to an outside provider in order to cut costs] of basic services (Barberton et al, 1998).

## **2.7. State's rationale for privatisation**

There has been concern about the poor performance of many public municipalities and the impact this has on government budgets and the overall economy. By ‘protecting’ large parts of the economy from the disciplines of the markets, O’Malley (1998: 13) argues, the state is condemning the whole economy to perpetual under-performance. The government has now adopted a ‘user-pays’ principle on the basis that attempts at free services for all have generally resulted in “some services for the few and little or none for most” (DWAF, 1994). The government contends that services should be ‘self-financing’. In December 1995, the then Deputy President and current State President, Thabo Mbeki, proclaimed that privatisation would contribute to the objectives of the Reconstruction and Development Programme or RDP (Perlmann, 1996). This proclamation resulted in dissension from Cosatu.

According to the CAWP’s 2004 Report, “in the years following the first democratic elections in South Africa, the commitment of the ANC government to free basic services has changed to fully embrace policies of privatisation and cost recovery championed by the World Bank and the IMF in the interests of transnational corporations wanting to increase their profits by turning scarce natural resources into money-making opportunities” (CAWP et al 2004. 1). This logic of the market and making profit has most recently been used to introduce prepaid water meters in Orange Farm and Phiri, Soweto, with plans already underway for the expansion of this system to the rest of Johannesburg and the country (CAWP, APF and Public Citizen 2004).

“The logic of privatisation is used to make people believe that gaining access to water is their individual responsibility, for which they have to work to earn money to pay” (CAWP et al 2004, 1). However, those who are not working are left mystified. In South Africa, therefore, “the priorities of social citizenship or

adhering to the country's constitutional provisions clash with the new dispensation accompanying this transition, which calls for fiscal discipline and reduced government spending" (CAWP 2004: 1). These economic imperatives are also derived from the Growth, Employment and Redistribution or GEAR strategy, which is built on neoliberal principles. Apart from turning citizens into consumers, the reigning of the market thus challenges democracy in South Africa because it perceives civil society as "a bank where substantial amount of cash is to be withdrawn". The issue at stake, therefore, is whether democracy can exist in the absence of social rights (Khunou, 2002). IGoli 2002 and Joburg 2030 are some of the new initiatives to foster local development in the era of privatization.

### ***2.7.1. IGoli 2002 and Joburg 2030***

Modernising Greater Johannesburg's approach to providing services by the establishment of public utilities for, amongst other services- water, and meeting local government mandate- (Greater Johannesburg Metropolitan Council or GJMC 2000, 9)

The far-reaching changes envisaged in Igoli 2002 are aimed at meeting local government's mandate as defined by the constitution, the Municipal Structures Act and the Municipal Systems Bill (GJMC 2000).

The roots of Igoli 2002, as is the case with many other development initiatives, lie in the macro economic framework (GEAR Policy). IGoli 2002 was introduced by the government as Johannesburg's new rejuvenation plan and an effective agent for delivery and governance, with privatisation considered as a policy to facilitate these ([http://www.johannesburgnews.co.za/budget\\_2001/development\\_plan.html](http://www.johannesburgnews.co.za/budget_2001/development_plan.html)). One of the immediate results of IGoli 2002 was the establishment of a new corporate water utility, Johannesburg Water Company/ JOWCO (McKinley, 2004). While still maintaining formal public ownership of JOWCO, the ANC city council outsourced the day-to-day management and running of JOWCO to the French water multinational, Suez Lyonnaise des Eaux, through its Johannesburg water management (McKinley 2004). The introduction of a corporatised entity such as JOWCO emerged from municipal financial stress that had locally led to cuts in the operating and capital budgets of basic services such as water (McKinley 2004, Chance 2006). This further led to a reduced capacity to invest in new infrastructure and maintain existing networks (<http://www.ukzn.ac.za/ccs/files/The%20Cut%20Off...>).

IGoli 2002 is based on the commercialisation or corporatisation of the council's various businesses into autonomous units run by private sector executives on business lines. IGoli 2002 and its adoption of "alternative service delivery mechanisms" like Public-Private Partnerships result in higher costs and

declining service standards (<http://www.greenleft.org.au/back/2000/415p20.htm>). Trevor Ngwane (an activist and member of the APF) believes that heightened prices of basic services like water and electricity are the product of IGoli 2002. The City's IGoli 2002 strategy caused massive conflict with trade unions and a new generation of community groups that joined the APF (Bond 2004). Together with SAMWU, the APF planned is to build a struggle on the ground using mass action, education, raising awareness about and against IGoli 2002 ([www.greenleft.org.au](http://www.greenleft.org.au)).

The Joburg 2030 vision statement is for Johannesburg to develop into a world-class African city with service delivery which meets world best practice (<http://www.joburg-archive.co.za/2003/budget/idp/CHAPTER4.pdf>). In the process of implementing Joburg 2030, council has attempted to shift from being merely an administrator and service provider to being an active agent of economic development and growth. While this growth will increasingly empower Johannesburg residents so that they are no longer dependent on government's support structures, council will still have the crucial role of ensuring that all enjoy the fruits of this growth- and of stepping in to assist people where the free market fails them (Joburg City Development Plan, 2001-2002). The objective of Joburg 2030 is that Johannesburg's economic landscape will no longer be dominated by mining and manufacturing, but by the service sector. However, according to McKinley (2003) the strategic imperative of Joburg 2030 is to enhance and facilitate the environment for capitalist 'investment'. McKinley (2003) argues that this will result in a city which will become one big capitalist enterprise in which 'development' is "reduced to the application of a 21<sup>st</sup> century Social Darwinism":

The application of Darwinism to the study of human society; argues that social progress resulted from conflicts in which the fittest or best adapted individuals, or entire societies, would prevail; it suggests that individuals or groups achieve advantage over others. It also gave rise to the slogan "Survival of the Fittest" (<http://www.answers.com/social%20Darwinism>)

## **2.8. The benefits of Water Privatisation**

Privatisation and accompanying commercialisation and deregulation have become the big buzz-words in public sector reform worldwide. It is believed that these processes spearhead better public services or improved prospects of economic development (Martin, 1993). The World Bank (formally the International Bank for Reconstruction and Development, or IBRD) stresses the advantages of the market mechanism (Babai 1988) and regards private enterprises as the engines of growth and development.

The private sector is considered to have the capital and expertise required for service delivery and expansion and, more importantly, is able to invest and operate at very short notice. Rather than waiting for scarce public resources to materialise, the private sector can provide quality services quickly and begin to address environmental problems caused by inadequate service delivery much sooner than the public sector (Thomson 2001). Privatisation is perceived as a way of reducing government costs. This is true to the degree that privatisation helps reduce the size of the government and transforms potential cost centres into revenue sources. Privatisation in this sense helps reinforce methods of expenditure control, which are assumed to produce genuine ‘win-win’ outcomes (Smith 1990).

In terms of welfare, the main advantage of privatisation is the capacity to turn gains in efficiency into benefits for the consumer in the form of lower prices. One way of ensuring this in South Africa, as it will be illustrated and discussed later, is through the Free Basic Water (FBW) initiative- the government and Johannesburg Water’s initiative to subsidise private water service delivery to communities. Privatised utilities have been chosen by numerous countries because in typical State Owned Enterprise (SOE) overstaffing and corruption are perceived as leading to inefficiencies and high production costs (Id 21 Research Highlight, 2003).

According to Budds et al (2003, 97) the position favouring private sector participation addresses spatial inequalities in the provision of water as public water utilities have failed to supply services of adequate quality and coverage. On the one hand, this failure is often attributed to a lack of government capacity which, when applied to utilities, leads to a ‘downward spiral’ of weak performance and low payment levels for poor services. On the other hand, “the precarious state of public water utilities is partly attributed to the public sector’s lack of funds and access to finance, which is necessary to carry out improvements and expansion of services” (Budds et al, 2003).

## **2.9. The pre-paid water meter system**

The government has introduced programmes and reports in order to redress the inefficiencies in service delivery to the public. The Water Festival, for example, informs people about increased access to water services. The Water Festival’s report suggests that, previously, most residences in un-metered areas that fall within the jurisdiction of the City of Joburg (CoJ) are currently charged a flat rate for water services. This amount is a fixed amount and does not vary according to how much water is used. This system is

now changing as individual meters are installed, and the amount paid by the consumer will be based on the household's water consumption measured by the meter and according to the city's tariff system (Water Festival, 2004). The programme asserts that, for a large number of consumers who do not waste water, paying for water according to a tariff system will mean that water services could either be free or cheaper than the existing flat rate.

The installation of prepaid water meters meant that most poor people still do not have ongoing access to water because they could not afford to pay for a basic amount of water (DWAF 2002). Something had to be done and the outbreak of cholera in 2000 gave this initiative added urgency. This culminated into the introduction of the Free Basic Water programme. This policy of 'Free Basic Water' (FBW) was introduced on the first of July 2001 by the South African government. The motivation for this was the recognition that many South Africans do not have access to basic services, and many cannot pay for services. In an attempt to fulfil the promise for *a better life for all*, Johannesburg Water (JW) provides a portion of water to households at no cost (Water Festival, 2004). However, the concept of FBW does not mean that water is free, only the first 6 000 litres that each household receives every month.

It is, however, important to note that from the viewpoint of the water provider, prepaid water metres are a simple means to implement cost-recovery without having to deal with costly customer relations such as billing and collecting fees (CAWP, 2004: 4) as well as to correct problems caused by inaccurate water readings. However, the problem is: how do these meters operate? Do they count each litre per price set? Are illiterate people able to read and understand the metres installed? Some studies are of the opinion that the Johannesburg City Council, which has set up a 'Public-Private Partnership' with the British firm Northumbrian Water and its French parent Suez, has devised an easier way to cut off access to water (Monbiot 2004, APD and CAWP 2004). These studies point out to the notion that, instead of water institutions disconnecting people from water access, they force them to disconnect themselves. As a result, Monbiot (2004) asserts that such disconnections led the old anti-apartheid activists to turn on the ANC government (<http://www.monbiot.com/archives/2004/10/19/exploitation-on-tap>).

Six thousand litres a month translates into approximately 200 litres of water per day, which is as much as ten buckets of 20 litres of water per day. JW claims that this volume of water is more than enough for a family's basic health, hygiene and domestic needs (CAWP, 2004). The question then is: what about in a

household of more than one family or household made up of extended family members and households with backyard shacks? Will that volume of water be adequate for all of their basic needs in a domestic context? Johannesburg Water argues that FBW is introduced because with the right to free basic water (i.e. 6 000 litres freely provided) comes the responsibility of managing water services effectively and paying for any consumption above six kilolitres per month. The more water you use- the more money you have to pay (CAWP, 2004). This is seen as an incentive for residents to use water wisely (Water Festival, 2004).

In some studies the installations of PPWMs have been welcomed with great support. CAWP (2004) illustrates using the Eldorado case that water service delivery through privatisation has resulted in quick and effective service delivery. In this case, prepaid water meters were seen as a viable alternative to facilitate water supply, management and consumption, and the community members of Eldorado Park staged a massive protest meeting in central Johannesburg. They handed a memorandum to the mayor calling for arrears to be written off and for prepaid water meters to be installed (Cox, 2004). The Eldorado case study thus presents a perspective, which is largely in favour of water privatisation's prepaid water meter technology, because with prepaid water meters people no longer experience problems normally encountered with flat rates. Each individual household uses and manages its water consumption pattern, unlike in flat rates where water usually gets stolen from one another, as there is no clearly defined control mechanism to the infrastructure providing water.

## **2.10. Unpacking the legal provisions on human rights to sufficient water supply and development**

*Water is life; sanitation gives you dignity-* Ronnie Kasrils, former minister of the Department of Water Affairs and Forestry.

*If the misery of our poor be caused not by the laws of nature, but our institutions, great is our sin-* Charles Darwin (in Laifungbam 2003: <http://www.jubileesouth.org/news/EpZyVVlyFygMevRBey.shtml>).

Water for human consumption is a 'public good', a 'universal human right', and constitutes the survival of all life forms (The Public Citizen 2005). Water is a human entitlement and therefore should be sustainably managed (CAWP 2004). This involves, amongst other issues, the existence of institutions, government structures, or municipalities to ensure that the management of water and water services is accountable to the citizenry and subject to democratic control. That is, granting the public sector, in particular municipalities, a leading role in the overall management. At present, however, the realisation of

individuals constitutional rights to sufficient water is hampered by large financial, administrative and water resource constraints facing the country (Goldblatt, 1997).

The UN (1977) asserted in the 1977 UN water conference declaration that everyone has “the right to have access to drinking water in quantities and of a quality equal to their basic needs (UN 1977). More recently, the UN declared that water is a “public good” fundamental for life and health. The human right to water is therefore indispensable for leading a life in human dignity. The human right to water is also a prerequisite for the realisation of many other human rights (UN 2002a; Castro 2004). According to Laifungbam (2003) water is perhaps the most basic resource: “it is essential for life, crucial for relieving poverty, hunger and disease and critical for economic development” (<http://www.jubileesouth.org/news/EpZyVVlyFygMevRBey.shtml>). Access to basic water requirement is a fundamental human right implicitly supported by the International Law, Declarations, and State practices. South Africa has one of the most advanced constitutions in the world in terms of the protection of human rights and the promotion of human dignity (DWA 2002). It also provides explicitly for “access to sufficient food and water” as a social right. Recent writings have identified those rights that are most likely to be jeopardised by economic and political underdevelopment. Human rights are however promoted on normative grounds to an extent that human activities are necessarily governed by moral and legal standards (Ngwenya 2006). The right to life in this case, for example, means that everyone should have full access (under availability and affordability terms) to resources allowing and enhancing their sustainable livelihood or a decent quality of life.

However, in recent years, following a transition to democracy in South Africa, there has been an increased focus on reducing poverty both as a responsibility of government and as an objective of donor support. But at the same time there has been a “major shift in policy away from previous supply-led approaches to water supply development towards demand-responsive approaches based upon the principle of water as an ‘economic good’” (DFID, 2003: 12). As a result, in an attempt to improve (sustainable) water supply, poor water users are increasingly expected to contribute towards the cost of new water supply schemes and take responsibility for their management (DFID, 2003). An important question to ask, therefore, is how far these demand-responsive approaches can ensure an appropriate balance between financial sustainability and poverty reduction objectives? This question represents the struggle between the public and the private on water supply and control. It also provokes a fight by NGOs such as the APF [The ‘Anti-Privatisation

Forum or APF is a social movement, civil society mobilisation established in July 2000. It is a broad based coalition of communities mobilising to prevent the negative impacts of privatisation at the grassroots level. It also unites struggles against privatisation in the workplace and communities ([www.apf.org.za](http://www.apf.org.za)), Social and Environmental Movements (e.g. SECC, Groundwork), taking place in the context of increasing grassroots mobilisation around this ‘rights-based’ discourse.

Laifungbam (2003) argues that the right to life entails access to water and bestows it with a human rights quality: “meeting a standard of living adequate for the health and wellbeing of individuals requires the availability of a minimum amount of clean water”. At the heart of this case for ‘human rights to water’ is the demand for not just action alone, but a discourse in which equity is the core value (<http://www.jubileesouth.org/news/EpZyVVlyFygMevRBey.shtml>). In the Phiri Township, Operation Gcin’amanzi’s policy of Free Basic Water (FBW) is aimed at the practical fulfilment of these rights in terms of sufficient and safe water supply as entrenched in the constitution. FBW is perceived as a pro-poor policy for equitable access which recognises the necessity of meeting basic water needs if poverty is to be eradicated. Nationally, more than 26 million people currently have access to 6 000 litres of free water per household per month, and this number is still growing as municipalities are tasked with conducting pilot studies to oversee the installation of prepaid water meters.

Human rights are deemed rights that can be claimed universally by all human beings, no matter what their circumstances, and that these claims are established in international law. The *World Health Organisation* (WHO), for instance, argues that every person needs 25 litres of water a day in order to survive. It goes further to state that every person needs 100 litres of water a day in order to lead a healthy life (Orange Farm Water Crisis Committee/ OWCC et al, 2004). The research by OWCC et al (2004) further points out that such provision does not include water needed to grow food, to care for the sick and so on.

On the other hand, the *United Nations Commission on Economic, Social and Cultural Rights* (ECOSOC), argues that water is indispensable for leading a life in human dignity, and that water is necessary for the realisation of other human rights (OWCC et al, 2004). The *South African Constitution* also says that ‘human dignity, freedom and equality are denied’ to those who do not enjoy any social or economic right. Section 27 of the Constitution specifically says that every person has the right to sufficient water, and the state should be proactive in ensuring the ‘progressive realisation’ of this right, and so on.

Equally important, *the National Water Act of 1998* is published with an understanding that water is probably the most fundamental and primary contributor to the well-being of society (The DWAF Story, 2004). We need water to meet the basic needs of society and to drive the economy, which produces the wealth required to ensure *a better life for all*. We need water for a number of reasons, for example, to quench our thirst, grow and prepare our food, for hygiene, for sustaining the natural environment and so on. National Water Act ensures that water resources are a public commodity, which must be regulated to meet the interests of all users. Therefore, no part of the water resource of South Africa will be regarded as private property (The DWAF Story, 2004). The DWAF's "Blueprint for Survival"- the National Water Resource Strategy launched in March 2004- is committed to ensuring that the objectives of the constitution and the Water Act are met.

## **2.11. The negative impacts of Water Privatisation**

In terms of privatisation, the poor share a condition of heightened vulnerability and exposure to the environmental costs of the wealth creating process (Butler and Hallows, 1998). Some studies (Pape and McDonald, 2000; Butler and Hallows, 1998) contend that the process of privatisation works to impoverish the already poor township communities whilst simultaneously heightening social, economic and environmental injustice issues.

### ***2.11.1. Social implications of prepaid water meters***

Pre-paid water meters undermine public health. Due to circumstances, households choose to decrease their consumption of water and to make difficult trade-offs between food, medicines, school fees, transportation and other essential goods and services ([www.citizen.org/documents/opposeppm.pdf](http://www.citizen.org/documents/opposeppm.pdf)). Prepaid water meters leave some community members no choice but to use alternative communal water sources. This means that they have to wait in lines to fetch some water, walk a distances to the water source, and at times using precious fuel to boil the water. Many hours are also spent by members of the household in this daily chore (Anton 1993). Sometimes children miss school, women and men cannot take care of their infants properly, and people are frequently late for work. In a survey by Maluleke (2004) the prepaid system is shown to destroy residents' and family relationships as it evokes questions of power and gender inequalities and also increases vulnerability of communities to internal conflicts. These inequalities and conflicts consequently exacerbate dysfunctional households and community relations due to the erosion of

social solidarity coupled with increasing lack of trust amongst community members, as they usually accuse each other of stealing water (CAWP, 2004).

### ***2.11.2. Economic implications of prepaid water meters***

The introduction of prepaid metering system further increases inequality between residents. Those who can afford to pay have a higher quality of life with a healthy, cared- for environment. The poor, on the other hand, are “pressurized to live in uncared for environments; as they cannot afford to pay for water to enhance ‘wants’ such as beautifying their surroundings” (Maluleke 2004, 3). This shift away from flat rate bills to metered water consumption can also undermine household budgeting strategies as some portion of a household’s income needs to be dedicated to financing the water meters and essential needs.

### ***2.11.3. Environmental implications of prepaid water meters***

As the poor neglect their surroundings in an endeavour to save water, diseases such as malaria and tuberculosis can become a cause of concern in townships. Moreover, if the community’s surroundings are not well cared- for, land degradation and, possibly, soil erosion become problems that may affect communities (Maluleke, 2004). Despite a democratic dispensation, people in historically black areas continue to live in decaying environments with vastly inferior services to those in the historically white areas. This is what SAMWU President Petrus Mashishi has called a “culture of non-servicing” (Mashishi 1998; Pape and McDonald 2002). This culture of non-servicing breeds a constant threat to the health of populations, the perpetuation of unmet basic needs of the poor, and a steady deterioration of the environment (Idelovitch et al 2005).

## **2.12. Social citizenship and water privatisation**

According to Procacci (2001, 57) the concept of citizenship has expanded to include more than national belonging and political participation. The right to welfare has become an essential part of citizenship and this focus on social security, socio-economic rights and participation in the development projects and also forms an integral part of citizens’ sense of belonging. Citizenship restores reciprocity outside market rules and is used as a mechanism to organise people in social solidarity (Procacci 2001). Citizenship therefore assumes a core of collective rights and action and is linked to direct democracy, as a way to empower people.

Social citizenship provides the egalitarian basis for individual rights (Procacci 2001). The right to a sufficient amount of water is no longer regarded as an individual problem but as a social concern which requires political action. The installation of prepaid water meters reflects the impacts on citizens' socio-economic rights through the marketisation of citizenship. This is because the marketisation and individualisation of welfare have the converse problem of denying that there is any social or structural origin for problems of poverty or access to basic services (Crouch et al 2001). Thus Crouch et al (2001, 264) further points out that markets in public services tend to become mechanisms for reproducing inequality.

Social citizenship enhances public action, making citizenship a way of acting, more than a way of being; it makes it possible to dissociate citizenship from nationality, for it is related to public activity rather than to a moral quality of the subject (Procacci 2001). Basic service provisions such as water needs the crucial role of citizenship at the centre of modern political debates on socio-economic rights to be arranged in a manner that allows participation to be enhanced.

### **2.13. Public Participation and Social Citizenship**

Public participation is acknowledged among the core concept for the implementation of sustainable development. Public participation is seen by various community organisations as a promising approach to overcome the results of the previous non-participatory, top-down and biased approaches to development and service delivery projects. The APF and CAWP, for example, recognise that citizens have the right and duty to participate actively in the decisions that are likely to have an adverse impact on their wellbeing. In addition, McKinley (2005) argues that “the Water Service Act also stipulates that communities must be consulted if there are to be any changes in how their water is to be managed and delivered” (<http://www.ukzn.ac.za/ccs/default.asp?3,28>).

Broad public participation is a mechanism for fair representation and maximising it renders national decision-making more likely (Crouch et al 2001). When the South African government wants to implement a programme or policy, it will ‘consult’ community organisations and civil society at the tail end of the process for them to get involved (Wegerif 2006). The expected benefits of public participation largely include increased public awareness and quality of decisions, social learning, more effective implementation, public acceptance, commitment and support with regard to decisions (Wegerif 2006).

Public participation therefore determines the conditions for social participation. In addition, the process of 'decentralisation' can also increase participation, accountability and transparency. Thus public participation, together with decentralisation, is considered a critical ingredient for sustainable development.

#### **2.14. The contribution of Social Movements in the context of prepaid water meters**

Social movements are collective mobilisation of informal networks, civic associations, and community solidarities oriented towards sustaining a particular public life (Somers 2001), widely believed to be part of social or citizenship rights. Social Movements are forms of mobilisation through which citizens organise themselves collectively with the aim of influencing and transforming development in modern societies (Eder 2001). According to Eder (2001, 218) the most important characteristics of social movements are mobilisation for two types of concerns in contemporary society. The first has to do with the increasing public sensitivity to issues that are resource problems. The second concern has to do with the problem of identity, politics and recognition. According to Desai (2003, 8) "the state's inability to provide basic services has created the context for these social forces or movements to emerge". These social forces are largely made up of the poor who mobilised as collectives against what they see as infringement upon their right to citizenship and life in dignity and respect. Desai (2003, 8) further argues that the new 'poor' have potentially become social forces in post apartheid South Africa:

The poor have come to constitute the most relevant post 1994 social force from the point of view of challenging the prevailing political economy (Desai 2003, 8).

Social movements serve as a model of co-ordinating citizens' interests in a manner that allows for apparent democratic development that transpires through participation of all stakeholders. Social movements are not the result of pressure for more democracy within communities but are a fundamental element in the development of the new institutional forms of politics in modern societies. As such they are not challenging but extending the boundaries of institutional politics, as they foster the symbolic aspect of politics by extending the public arena and intensifying public communication over issues affecting communities (Eder 2001). Social movements therefore demonstrate the long-lasting relevance of a capacity for collective action. They assist in dealing with a rise in 'participation fatigue' and thereby promoting extensive participation or involvement of local communities around matters that affect them and enhance forms of social citizenship. Thus social movements give a voice to concerns.

In Habib's (2003, 2) conception "the current basic twin expectations of the public are that social movements or other NGOs will firstly, continue to act as monitors of the public good and safeguard the interests of the disadvantaged sections of society. This performance of this social watch role requires both transparency and accountability on the part of social movements and NGOs. The public's second expectation is that social movements and NGOs will assist in expanding access to social and economic services that create jobs and eradicate poverty among the poorest of the poor". This requires cost effective and sustainable service delivery (Zola Skweyiya, in Barnard and Terreblanche 2001). In the South African townships there are infrastructure problems retarding the upgrading of service delivery as poor families cannot afford to repair and maintain the decaying infrastructure.

The contemporary development discourse views poverty as the denial of opportunities and choices most basic to human development, which disables people from leading productive, healthy and creative lives, with freedom, dignity and self-esteem. Accordingly, poverty eradication programmes must consider development as the process of increasing people's choices by expanding their human capabilities, freedoms and opportunities (Kimaryo 2006). The South Africa Millennium Development Goals Country Report 2005 indicated that South Africa is well on course to meet its Millennium Development Goals and targets. However, the organisation and expansion of service delivery is central to the discourse of economic growth and sustainable human development in South Africa, as set against the background of achieving the MDGs by 2015. The focus on service delivery, in particular at local level in the poorest areas of the country, is critical to the efforts of the state to promote poverty eradication and sustainable development.

In order to meet its MDG goals and address issues of poverty and inequality, South Africa needs to embrace and act on the principles of social inclusion that are found in 'Ubuntu' and 'Batho Pele'. Public participation and the role of the new social movements are central in this regard. Collaborative projects and partnerships between government departments, development agencies, civil society and the donor communities are important in the realisation of this mission (Kimaryo 2006). Eradicating poverty is an ethical, social, economic and political imperative of humankind. This will inevitably reduce the impact water privatisation can have on communities as they will be strong enough to deal with the pros and cons associated with it.

## **2.16. The impact of privatisation on Communities**

The World Bank has given great attention to necessary policy reforms within developing countries (Ayres 1983). In South Africa over the past three years or so, the government has endorsed the installation of pre-paid water meters in two poorest districts of Johannesburg: Orange Farm and Phiri. According to Monbiot (2004) the South African government has chosen these two township communities for the obvious reason that they contain the largest population of people who cannot afford to pay (<http://www.monbiot.com/archives/2004/10/19/exploitation-on-tap>). Indeed, this is often true in conditions whereby the poor are forced into an ultimatum- which is, whether to use their very last cent to purchase an essential resource such as water, trying to cope without its full access, or opt for alternative water sources such as stagnant ponds and small streams for drinking and for numerous other domestic purposes. Recent discoveries purport that resorting to this kind of alternative presents many health perils. For example, some literatures refer to the case study of Madlebe, Kwa-Zulu Natal where pre-paid water meters were first installed in 2000 (Monbiot 2004, CAWP and APF 2004 and McKinley 2005). “Those who had no money had to draw their water from the rivers. The inevitable outbreak of cholera infected over 100 000 people and killed 260 others. This explains why the meter scheme was dropped” (<http://www.monbiot.com/archives/2004/10/19/exploitation-on-tap>). It is also this very reason that Cosatu (2002) argued that such restructuring of municipal service delivery should not be accepted because poor people will not be able to afford services from private service provider.

It is traditionally seen as the sole responsibility of women to make sure that water is made available in the family. The provision of water service in this instance is useful in demonstrating that the provision of urban services is not ‘gender neutral’. At times when water is disconnected because the family is unable to purchase a payment voucher, women stand to walk long distances to fetch water, and it is they who frequently queue for water until dusk. In other words, women are seen as the ‘shock absorbers’, as those who are disproportionately affected by the lack of water because they play a central role in providing for the ‘life needs’ or ‘reproductive needs’ of the family or household (CAWP 2004). In most cases, it is women who fall victims to municipal reform and restructuring, and are consequently unable to pay for water, hence their household environment may indeed be very hostile to them (Maluleke 2004).

## **2.17. Struggles concerning prepaid water meters**

The Indymedia (2004) reports that since August 2003 and the start of “Operation Gcinamanzi in Phiri the Johannesburg Water company has confronted resistance to its project to commodify water. The SECC-affiliated to the APF- had until then focused its activities on electricity services. The threat of PPWMs to the livelihoods and health of Sowetans has reoriented the focus of SECC’s struggle for basic services such as electricity to water (Indymedia 2004). An interdict was granted to JW preventing any APF member and effectively any resident from coming within 50 meters of its construction sites in Phiri. Although, frustrated by continuing community resistance to the prepaid system, JW has not been able to complete the installation of the new meters in Phiri and has been forced to move its operations to adjacent locations (APF 2004).

“While anti-privatisation struggles have not yet succeeded in halting the privatisation process, popular struggles forced the ANC government to implement a partial free water policy in late 2002” ([http://www.sarpn.org.za/documents/d0000584/P531\\_McKinley.pdf](http://www.sarpn.org.za/documents/d0000584/P531_McKinley.pdf)). However, there are millions who still are not receiving the scheme’s free allocation of 6 000 litres of water per household per month (APF and CAWP, 2004). Water is the community’s *collective need* and a *public good*. Resistance, as can be seen, will most certainly follow ‘prepaids’ wherever they are imposed. Strategies of resistance will become more antagonistic as more communities are affected, with self-disconnections (an act against prepaid technology) and road blockades expected to become the ‘new memorandum’ of demand (APF 2004, Indymedia 2004).

## **2.18. Conclusion**

This section of the report has dwelled significantly on the international and local experiences of water privatisation, and further seeks to explore these experiences using the case study of Phiri Township in Soweto. The prevailing argument has been that privatisation in South Africa was aimed at reversing the conditions of poor and inadequate water services delivery which resulted from apartheid’s biased policies and practices. The neo-liberal agenda views water as an essential commodity to accrue profit while making service delivery possible. The installation of prepaid (water) meters was seen as one of the appropriate ways to inculcate fair water resource distribution amongst communities. In most cases public service providers are deemed insufficient in delivering basic services to the public; hence privatisation

became valued as a way of adding to government capacity. This is illustrated by the Latin American case study where private sector participation was perceived adequate to deal with public service inadequacies.

The South African government and Suez (a French private water company) have agreed upon privatisation that involves some power-sharing arrangements to facilitate quick and reliable service delivery to the public. This has also been encouraged to deal with inefficiencies in public service provision, as it is capable of operating faster, at very short notice and on a large scale. At times privatisation's notorious legacy, in terms of unaffordability, helps the people to value water as a resource that determines existence, and as a resource that needs to be preserved and used wisely. Secondly, the chapter illustrates that South Africa's transition from apartheid to democracy has paved a way to privatisation as the new policy paradigm encouraged by the World Bank and the IMF. The transition to democracy has invited a call for official neoliberalism- by which is meant adherence to free market economic principles, bolstered by the narrowest practical definition of democracy (Bond 2000, 1). The new democratic South Africa has supported and invited neoliberal policies through the GEAR strategy.

It is clear from official statements on water supply policy that a strong emphasis is currently placed on issues of cost recovery (Rogerson 1996). The privatisation of natural resources such as water is one of the key 'drawcards' for the internationalisation of services delivery within developing countries. In the privatisers' interest, nothing which can turn a profit is ever left to the state- that is an almost universal law of capitalist development: "if it earns, privatise it" (MIA 2005, 1). In South Africa, the political democratisation after apartheid has occurred at a global historical juncture that is more hostile than helpful in the task of basic service delivery. It thus becomes questionable whether, and to what extent, South Africa's post apartheid government should be held responsible for complicity in steering the country's basic developmental path in a broadly market- oriented direction or whether the space for options was simply not there to be taken up (Hallowes et al 2002).

The UN's goal of providing a minimum amount of safe water to every human being on earth has been reduced to a more realistic target of halving the population without water services by 2015 (UN 2000; 2002b; Castro 2004). Even this is perceived by numerous studies as utopian (PDG 2002; Castro 2004). They suggest that it is highly unlikely that the private sector, which according to mainstream water policies must take the central role of extending water resource to the poor, will live up to this challenge

(Castro 2004). They believe in *municipalisation* or *publicisation*, which involves moving service delivery back into the public sector (PDG 2002). This is because access to sufficient water is essential. After all, obtaining water at home represents a significant leap forward to a better life (Anton 1993). Nevertheless private sector provision appears to be uneven, because in SA's poor urban communities such as Phiri, most residents are so short of money that consumption of clean water is almost impossible. This explains why some people, as will be illustrated in the research findings, view 'corporate take-over' as accountable for numerous social ills in poor communities such as Phiri.

## CHAPTER THREE

### RESEARCH FINDINGS

#### 3. Water provision and responses in Phiri

##### 3.1. Introduction

Privatisation is mostly associated with globalisation, which is powerfully driven by trans-national corporations. These corporations move not only capital and goods across borders but also technology (Stiglitz 2001, 10). Privatisation is at the centre of the World Bank policy, a blueprint for increasing reliance on the private sector in all areas of the economy, including basic service provision and infrastructure development (Hall et al, 2002). The technology of prepaid water meters (PPWMs), which is driven by privatisation, has been moved and imported to South Africa and many other developing countries.

A picture of how these technologies constitute conflicting interests between the public and private sectors in municipal service provisions is painted in this section of the research report. Additionally, the associated impacts of prepaid water meters on poor communities in South Africa are illustrated. Various theories are used to explain the two-fold nature of the argument relating to water as a free good and as a scarce natural resource used to generate profit. Drawing on a case study of Phiri Township in Soweto this chapter also demonstrates the effects of prepaid water meter technology on urban communities.

##### 3.4. The role of Johannesburg Water in the delivery of water in Phiri Township

The creation of utilities, agencies and corporatised entities, such as Johannesburg Water, are intended to enhance delivery for critical local government services and promote social and economic development (GJMC 2000).

Johannesburg Water (JW) was established in January 2001 as an independent company with the city of Johannesburg as the sole shareholder. The formation of the JW company is an outcome of the iGoli 2002 transformation plan embarked on by the former Greater Johannesburg Metropolitan Council (JW 2005). JW has been mandated with the responsibility of providing water and sanitation to about 550 000 domestic, commercial and industrial customers in the Greater Johannesburg Metropolis. About 3.5 million residents make use of JW's services on a daily basis (JW 2002). In order to facilitate the prospects of delivery, JW has signed a five-year management contract with the Johannesburg Water Management

Company (JOWAM). This contract came into effect on 1<sup>st</sup> April 2001 and is a joint venture between Suez Lyonnaise Des Eaux (France), Northumbrian Water Company (UK) and Water and Sanitation Services (RSA). The company operates under the management of the JW board on a performance-based management contract (JW 2005).

JW is the authority in the provision of water services to customers within the Jo'burg Metro. It is also responsible for the prepaid water meter project in Phiri, Soweto (Respondent 30). JW plans to install prepaid water meters in every residential property to enable consumers to take ownership and control of their water usage and to budget effectively. The government's programme of Free Basic Water (FBW) is used by JW to provide the first 6 000 litres of water per month to each household for free. The Department of Water Affairs and Forestry (DWAF) see FBW as the government's commitment to pushing back the frontiers of poverty (The DWAF Story, 2004). As already been discussed in chapter 2 of the project, FBW translates into 200 litres of water per household per day. McKinley (Interview: May 2005) argues that FBW reflects the government's commitment towards subsidisation of the poor; however, this is not enough for the poor and there is an urgent need for 'cross-subsidisation'.

**Table 2:** Breakdown of Water Tariffs

Kilolitres	2002/2003	2003/2004	% Increase
0-6	Free	Free	0
10	R9.97	R13.20	32
15	R32.36	R35.20	8
20	R57.34	R62.70	9
30	R115.45	R128.70	11
40	R173.55	R194.70	12
50	R244.44	R272.70	12

**Source:** Johannesburg Water, "2003- 4 Tariffs and Free Essential Water"

<http://www.johannesburgwater.co.za/finance/financetariff.html>.

Table 2 above illustrates the breakdown of water tariffs. It shows points at which individual households' water consumption pattern rises per kilolitres in juxtaposition with a gradual increase in water tariffs on an

annual basis since the year 2002. Water consumption between 0-6 kilolitres is termed ‘free basic water’ which households do not have to pay for but are still advised to preserve and use wisely as its misuse would eventually compel them to purchase or load their water meter tags in order to gain excess water. Water consumption between 10-50 kilolitres simply shows points at which households begin to pay for water. Subsequently, a household’s financial contribution depends solely on its water consumption pattern. That is, the more water is used, the more money will have to be dedicated to purchasing water.

### **3.5. Operation Gcin’amanzi**

“A culture of prepayment can be established and consumers can clearly see that all consumers are subject to the same supply and prepayment conditions. Better utilisation of water resource can be made of the management system that is associated with prepayment water meter systems (economic and efficiency of scale)”- JW, Master Plan 2003 (cited in Yitbarek 2004, 81).

‘Operation Gcin’amanzi (Operation Conserve Water)’, a four-year project that involves the upgrading of the water reticulation network in Soweto (Barradas 2007) and the replacement of decaying pipes, was launched in 2003 to ensure a reliable and affordable service to every household (Johannesburg Water, 2005). The Operation Gcin’amanzi project is perceived as a rapid process to install new water supply infrastructure and technology for Soweto townships. JW has embarked on a R450 million project to upgrade and replace old pipes and infrastructure in Soweto in order to ensure quality service delivery to its clients (JW 2005). The objective of Operation Gcin’amanzi is to substantially reduce water wastage both on private properties and within the municipal water network (<http://www.johannesburgwater.co.za>). Through this project JW aims to address the water supply problem in the area and create an environment conducive for payment of water and sanitation services (JW’s Public Education Manual, 2005). The project also involves the installation of prepaid meters in every household, to enable consumers to plan and budget their water usage (Barradas 2007).

According to Greg Segoneco, Managing Director of JW, this will lead to savings of up to R150 million a year to the City of Johannesburg as well as a drastically reduced water and sanitation bill to individual households (JW 2005). This project was introduced in Phiri following a very thorough process of consultation with a wide range of stakeholders in the community. A number of workshops were held to explain the objectives of the project as well as public meetings with all 43 ward committees in Soweto (Segoneco, 2005). To date, free pay water meters have been installed in more than 25 000 households (JW 2005). JW expects that the installation of free payment meters will lead to a stronger sense of ownership

of consumption amongst residents and reduce the demand for water (JW's Public Education Manual, 2005). It is argued that consumers will be able to see exactly how much water they use every month, allowing them to budget beforehand.

JW is also seeking to implement an education campaign in which the efficient use of scarce water resources, the water cycle, tariff rates, meter usage and customer rights and obligations will be highlighted (JW's Public Education Manual, 2005). These education campaigns are intended to encourage local schools and community organisations to help promote a 'water conservation ethic' amongst children and adults. Buyelwa Sonjica (Minister of Water Affairs and Forestry) argues that good management of Operation Geinamanzi is critical if the public is to avoid not only dry taps, blocked toilets and polluted rivers, but more specifically to prevent the outbreak of water-borne diseases such as cholera. However, it is also the responsibility of each municipality to ensure proper planning, budgeting and management of these structures to prevent service delivery breakdowns, pollution incidents and worst of all, endangering the health of its communities (JW 2005). JW hosts the Water Festival on an annual basis with the intention that the event will begin to increase people's appreciation for this 'life-giving' resource (JW, 2005). The objective of the Water Festival is to promote the JW's public education programme and water and sanitation awareness building campaigns. According to Yves Picaud- Managing Director of Vivendi Water in South Africa, "free water is not so good an idea, it's better to ask people to pay very little- but to pay something. Free water, he argued, gives the impression that water is free, service is free and you can use water as much as you want" (ICIJ 2005, 1).

A discussion was also held with government officials around water as a free good versus water as having monetary value. These officials argued mainly that if water is free, who then is responsible for the maintenance and replacement of water infrastructure? People should take to account the fact that water service provision is costly for the government to deliver alone and this explains why private sector participation has been encouraged. This form of service delivery approach also emerged due to the realisation that in previous delivery mechanisms people tended to use and abuse the water infrastructure and thereby wasting water (Group Discussion 33).

In previous water supply systems, the infrastructure needed to ensure reliable provision of water was made available by local municipalities at no cost to communities. Today, these municipalities have run out of steam to successfully provide because the resources needed to support the delivery of services have been used and abused by the public. Now it is only fair

to allow a mutual relationship between municipal service providers and residents of Soweto. People must realise that they can only get out what they put in and that they cannot always expect everything delivered to them for free because success in this delivery also comes at a cost. Therefore, there should be a mutual 'give and take' form of reciprocal relationship between municipal service providers and the consuming public (Respondent 7).

Most residents of Soweto, especially in Phiri, are already accessing water through the new reticulation system (JW, 2005). In 2004, JW entered into a partnership with the popular Soweto community radio station, Jozi FM. Through this partnership JW is able to run a series of public education broadcasts aimed at informing and engaging with residents around Operation Gcin'amanzi (JW 2005). Johannesburg Water portrays its Operation Gcin'amanzi project as a transparent initiative that seeks to enhance access to water in residential communities of Soweto (Jozi FM, 2005) and so community leaders are invited onto the show to express their views and opinions about the project. Residents are then invited to call in and voice their sentiments and engage with JW (Jozi FM, 2005). Operation Gcin'amanzi is said to be moving into the rest of Chiawelo and Mapetla with the possibility of moving into Moletsane and Tladi as well.



**Figure 3:** Operation Gcin'amanzi's billboard located at Senaoane Administration Office.

Operation Gcin'amanzi has a billboard which invites the residents of Phiri and Senaoane to come and refill their prepaid water meter tags in order to obtain access to water (see figure 6). A number of community residents have expressed their dissatisfaction regarding Operation Gcin'amanzi's free basic water (FBW). A general feeling from interviews conducted was that FBW for most households is not enough and in households comprising a mother, father and two children 6000 litres of water is enough for a month. But in both instances household members are forced to pay for water, either when FBW is

finished or a household has not yet received it. Problems arise when there is enough water left at the end of the month. This water cannot be consumed in the following month, and it is withheld or withdrawn. For instance, if respondent 65 stays alone in the house and gets 6000 FBW and is left with 4000 litres of water by the end of the month, this remaining amount is forfeited and the following month the respondent only receives half of the 6000 litres of FBW.

I am coming to report a problem relating to the FBW that I was supposed to get at the City of Joburg region 6, a municipality in the area, for the fourth time today, and each time they send people to attend to my problem. But on the 4<sup>th</sup> of November last year (2005) when I went there I was told I'm too late, that I was supposed to have reported the matter on the 1<sup>st</sup> or the 2<sup>nd</sup>, at that point I was forced to buy water for R20 because they told me I will only be getting that FBW the next month. I think that the problems with meters not working well, or the municipality forgetting to provide that FBW is their problem and not mine. I cannot keep on visiting the municipality every time for small problems. They should sort themselves out because they are the ones who forced these prepaid water meters, which nearly cost the lives of other fellow neighbours here in Phiri. During the time of installation, there was a struggle, which erupted because Johannesburg Water was forcing this technology into our area, and several people almost lost their lives in that whole ordeal (Respondent 65).

### **3.4. How do Prepaid Water Meters work?**

“Pay before you use water service” (Respondent 12).

Prepaid water meter is like the prepaid card for mobile phone service: you have to deposit some money before you enjoy the service (Mingtao, 2005). The meters automatically charge the user the cost of the service upfront. Or as the World Bank puts it- prepaid water meters “facilitate cost recovery and accelerate private sector participation in provision of water services”. The reality of this is that when the user runs out of money, the tap also runs dry. As a result, the burden ends up being considerably heavier on the poorest households (Public Citizen 2004).

There are different kinds of prepaid water meters and the objectives of these meters is the same: to read consumption of water. Nonetheless, Fiil-Flynn (Online Interview 2005) argues that these prepaid water meters are not ‘consumer friendly’ nor ‘user friendly’ generally due to the fact that in most cases people are forced to walk distances to get them refilled; whereas some people find them difficult to engage with. Prepaid water meters in Phiri have special instruments known as tags used to purchase and help read the amount of water.



**Figure 4:** Prepaid water meter Tag

The prepaid water meter tag is used to purchase water and to check the water balance on the meter. The PPWM tag reads the amount of water, either left from purchasing or from FBW. Each household has its own PPWM tag with the household number engraved on it, and the next-door neighbours cannot use it. In this way, it is argued that a household can easily control its water consumption and prepayment. However, it is argued that the basic reality with prepaid water meters is that those who cannot afford to prepay their water meters/consumption are usually cut off by the service provider, whilst in fewer occasions some people are also forced to disconnect themselves. McKinley (Interview, May 2005) in his field work observed that such disconnections resulted in an ‘underground economy’ taking place in Phiri with most poor people who cannot afford water purchasing a few litres from other neighbours at a negotiated price. David McDonald- who co-directs the municipal service project- also pointed out that the prepaid meters are “the most insidious devices” (McKinley 2004). With prepaid water meters people will not afford to buy the amount of water they need, they will buy what they can afford. Johannesburg Water’s Operation Gcin’amanzi was opposed by community residents as they argued that it serves the interests of JW and the government.

### **3.5. The installation of Prepaid Water Meters**

Pre-paid water meter installation is a contentious issue, but the widespread prepayment of water is fast becoming a reality (<http://www.metering.com/arch>). The installation of prepaid water meters presents different implications for government officials, poor township residents and social movements. First, water prepaid water meters may result in difficulties in accessing basic needs. For example, the poor are frequently forced to give up their gardening work which produces food and income for them and their daily routines such as washing and bathing are prolonged in an attempt to save water. At times residents

cannot afford to buy the necessary units of water that will essentially aid them to meet their daily life-needs (Respondent 7).

“Many people no longer use their water tubs/baths to wash themselves because they find these things to demand and consume a larger amount of water they cannot afford to lose. They have now resorted to big containers to wash themselves, and the dirty water from their daily baths and that from their laundries are kept in 20-25 litre buckets for flushing purposes” (Respondent 10).

Most officials fully support the neoliberal model of privatisation arguing that the model represents a contemporary way of adjusting developments and thereby modernising and enhancing basic service delivery provisions in local government spheres. However, numerous studies conducted, such as CAWP’s “Nothing for Mahala”, have presented uncertainties with regard to the provision of water in the townships and middle class suburbs. For example, prepaid water meters have been installed in townships such as Phiri, whereas most people in the suburbs enjoy metered water (but it is not prepaid) - they use water for gardening and for their swimming pools. It therefore becomes unjust for poor communities to have limited access to water whilst the wealthy sections of the population are using water to fill up their swimming pools. This also demonstrates different forms of ‘wants’ and ‘needs’ inculcate by existing forms of water service delivery infrastructure and technology in those areas. At times the needs of people in townships are surpassed by the wants of the people in the suburbs. For instance, one’s need to have enough access to water for gardening in the township is outshined by one’s want to have a swimming pool filled with water (Respondent 11).



**Figure 5:** A model of prepaid water meter in Phiri.

A recent report published by CAWP (2004) reveals that almost all (97 %) respondents in Phiri felt that it was unfair for government to introduce the prepaid system to the poor communities. Of particular note is

the finding that 93 % of respondents said that ‘it was unfair that some people get water then pay later while they have to pay first then get water’.

Prepaid water meters disregard the well-being of community members and their indisputable rights to water. This is particularly evident when there is a failure in metered water provision, either when consuming FBW or water that is bought. Either way community members feel prepaid water meters postpone their domestic responsibilities and devalue the importance of using water as a daily need (Respondent 110).

### **3.6. Positive impacts of prepaid water meters in Phiri**

In the views of trans-national corporations, privatisation is considered a policy strategy to reduce government’s ‘overstretch’, particularly where government infrastructure has debilitated. Some officials and residents of Phiri and other parts of Soweto are critical of the notion that JW’s project to install prepaid water meters is unjust. They argue that installing prepaid water meters simply ensures that people take charge of their water usage. They also argue that municipalities should be rewarded for the services they render to households. After all, these services come at a cost and if communities are not advised to pay a little, then municipalities will be unable to deliver the best possible services.

The culture of non- payments by communities is seen as a cause of previous municipal service delivery failures, and the government cannot afford to undergo such problems again (Respondent 12).

According to an employee from Johannesburg Water, in a debate concerning whether people should pay for water, it is important for privatisation to play a significant part of our current development intervention, especially where service delivery is concerned and should thus be emphasised. The main thrust of the argument in the debate was that “providing water service at a cost does not necessarily mean the government is neither less accountable to the public nor less consultative. Advising the public to pay for water simply means helping the government and its municipal service providers to better and adequately make such provisions possible” (The Big Question 2006). This notion of municipal service delivery was corroborated by one of the informants who emphasised that:

Prepaid water meters are manageable and do not put people in a debt strain. Furthermore, people are more careful about leakages and overall utilisation of water. Therefore, the funds that local municipalities and external providers generate can easily be utilised in the expansion and management of assets and the installation of more assets to better advance the provision of basic services such as water (Respondent 93).

People in rural areas are suffering due to lack of water, or water due to be collected kilometres away. We should be proud of what the government does for us because things are becoming

simpler and our lives are getting easier, thus we should pay little so as to secure our right to water (Respondent 105).

Therefore, prepaid water meters are essential as they also eradicate forms of social conflicts amongst community residents as prepaid water meters define and set the limits or boundaries for water consumption per household. Moreover, without the prepaid system, most communities usually go on for days without water as the flat rate system is not up to scratch because of the municipalities without adequate skills to maintain the infrastructure that provides such service. As a result, some households and individuals with boreholes start selling water that is suppose to be free basic water to those at that time do not have access to water. Consequently, as respondent 93 points out, this leads to the marginalisation of people who are destitute with no means of income; whereas the mindset of the private owner, on the other hand, has shifted from service delivery to profit making operation.

As already been discussed in the literature review using available case studies, prepaid water meters present varying impacts to communities and this usually depends on their 'class' or financial wealth. For instance, a study conducted by the Coalition Against Water Privatisation (2004) has discovered that in the Eldorado Park community a number of residents support the installation of prepaid water meters as emerging devices to address previous imbalances associated with flat rate user charges. Some residents of Phiri were asked why they think the Eldorado Park community are in favour of prepaid water meter technology. Some have suggested it is because this community is not populated by mostly blacks who are at the forefront of government's social grants but by the coloured elites mostly living a middle class lifestyle. Interestingly, others assert that the Eldorado community applaud this form of technology because it helps them avoid unnecessary payments usually found in flat rates (CAWP 2004). The use of prepaid water metering technology helps individual households pay for what they have used instead of finding themselves faced with enormous debts generated through unscrupulous acts (Group Discussion 7). A general consensus here is that on average flat rates are problematic since they can be tampered with. Nonetheless, McKinley (Interview, 2005) argues that the socio-economic status of places like Eldorado Park and Phiri are not the same and that the prepaid technology cannot be assessed the same way.

The Eldorado Park community supports the installation of PPWMs because they can also help tremendously in solving challenges such as high arrears usually found in flat rates facing utilities. It is also argued that privatisation's prepaid water meters encourage household water management; that it promotes

the conservation of water as a scarce natural resource, and that it helps communities to be water wise (Rand Water 2004).

Ideally, people are not supposed to leave household water taps (at the sink and basins) running at their homes when they wash dishes or brushing their teeth, they should not take long in their showers, they thus need to be responsible and thereby developing patterns to sustainably manage their consumption of water (Respondent 7).

In an era of scarce resources we live in today, managing water is an individual's responsibility, just as it is an individual's responsibility to pay for it, because common sense follows that the more water is mismanaged- the more money needs to be dedicated for it. To avoid circumstances such as the above; individual households are encouraged to use water wisely (Respondent 9).

These quotations suggest that the installation of prepaid water meters facilitate the use, control and management of scarce natural resources such as water in needy sections of the country. Prepaid water meters maintain a wiser and fairly common way of monitoring water consumption and ensuring that its use equally ensures quality of life. This remains the overarching slogan of Johannesburg Water's Operation Gcin'amanzi campaign. According to Greening the WSSD (2002) South Africa has the third best tap water quality in the world. It is completely safe to drink- which reduces the need for bottled water and resulting waste. The introduction of prepaid water meters also complements water service delivery by making it available on taps. However, what is still contestable is the fact that this form of service delivery provision is accessible to poorer people. This remains one of the overarching debates around the rights-based discourse constrained in the current democratic process.

### **3.9. Negative impacts of prepaid water meters**

It is very frustrating for me as a student to pay for water (Respondent 11).

According to a resident of Phiri, privatisation is a way of business taking over public institutions and making profit (Respondent 11). It is also been argued that although privatisation is perceived mostly by the government as a good strategy to address previous imbalances, it however lacks capacity and direction to ensure accessible and equitable service delivery amongst people of different classes. In fact, it does not operate as a catalyst to improve accessible delivery to the poor and the previously disadvantaged groups and neither does it overcome past failures (Respondent 85).

Instead, privatisation and related prepaid water meters, is said to be breeding social conflicts and unfulfilled human potential within communities. Water is a basic human right and governments have a

responsibility to ensure universal access to water. Water privatisation schemes throughout the world have a track record of skyrocketing prices, water quality problems, deteriorating service and a loss of local control ([www.citizen.org](http://www.citizen.org)). Private Sector Participation (PSP) does not always live up to its promises and expectations. Instead it creates a number of new problems, vulnerability to corruption and operating according to a profit-driven corporate agenda fundamentally incompatible with delivering an essential service (<http://www.citizen.org/cmep.water>). The pursuit of a policy of PSP often undermines local and national government capacity to perform (their tasks of providing services).

If you see one problem being attended to for more than two times and sometimes for the whole week, then there is definitely something wrong with the people hired to effectively deal with such a problem (Respondent 53).

The installation of prepaid water meters forces communities to reduce their consumption of water. In Kwa-Zulu Natal, as indicated earlier for example, the desperate search for any available source of water has resulted in cholera outbreaks that have claimed the lives of hundreds in the province (CAWP 2004, Monbiot 2004, McKinley 2005). In the township of Alexandra, the outbreak of cholera also affected thousands of families. In both these cases, it was only after the national government was forced to step in as a result of community mobilisation and pressure that the disease was brought under control (<http://www.h-net.org/reviews/showrev.cgi?path=279401053664417>). In addition, the dignity of these communities has been ripped apart, as the right to the most basic of human needs, water, has been turned into a restricted privilege available only to those who can afford it. Thus McKinley (2005, 182) argues that such “cost recovery policy causes a national affordability crisis for black townships as well as rural communities”. A number of political and social activists support publicly owned or collectively owned water services that focus on democratic participation, local accountability and community activism. Therefore, access to basic services such as water and health are significant factors in the well being of the poorest (Hall et al, 2002), in which case the poor are unlikely to benefit from privatisation.

**Table 3:** Frequency of household’s basic water use

Use	Frequency			
	Often	Sometimes	Rarely	Total (%)
Cooking	42	18	11	71
Washing	37	21	33	91
Bathing	45	26	12	83
Gardening	21	15	8	44

Flushing	65	10	7	82
Other	8	15	11	34

Water is essentially needed for a variety of domestic chores. Without water household members will not be able to prepare food, wash their clothes and bath (see Table 5). These are absolutely crucial because without food and clean clothes people increasingly find themselves located outside the borders of survival and are also likely to be affected by fatal diseases (Respondent 96).

One can live a life without a flush toilet or gardening, but one cannot live without food, clean clothes or without bathing himself. So, we need water to ensure our daily existence. Water can be that important to industries producing food or in agricultural production. But workers in these big businesses need to be well fed in order to work productively, and for some, ensuring the survival means starts at their homes (Respondent 15).

At times when Operation Gcin’amanzi fails to deliver service or attend to delivery failures, either due to a lack of personnel needed to repair leaking pipes or broken infrastructure, people tend to suffer greatly. It is for this reason that mobilising forces have waged a struggle against prepaid water meters because they are inhumane in character (Respondent 96).

Prepaid water meters are not necessary in our community; they create ongoing problems for us. I think the way in which the water meters are crafted simply requires constant servicing for them to operate in a manner that saves people a lot of hustles. But at times when we have problems with these meters and get the problems reported, too much time is taken for JW people to come and fix those problems. I think JW officials have created a monster they are unable to feed and at the end of the day the monster affects us at the receiving end of water service delivery (Respondent 12).

Since JW’s Operation Gcinamanzi in Phiri, residents have started using water with fear. They are trying to save water by abandoning other domestic chores and prioritising in terms of what they perceive as essential or necessary to enhance their survival needs. This has resulted in the use of water for urgent basic needs such as cooking, bathing and washing (on a rare basis). Other survival activities such as gardening (including for watering lawns and vegetables for families to feed themselves and sell for commercial gains), as already indicated, have been put on hold because most residents cannot afford to use water for them (Respondent 75). This means that people who were mostly dependent on the produce from gardening have their survival means ruined.

The anti-privatisation activists observe prepaid water meters as a 'commercial imperative'. Provision of water, as many contend, comes as a form of "Pay-for-it" or "Live without it" kind of strategy (Fiil-Flynn 2005). The question now remains: how are people going to live without such a 'life need' as water? As such, a general feeling in the community in Phiri is that a basic necessity such as water must not, in any circumstances, be commodified or be seen as possessing monetary value. In its natural and vital resourcefulness and importance, water should be distributed equally and free of charge (Respondent 85). In instances where that is no longer so, then water should be 'de-commodified'. Decommodification in this context would posit social services as a matter of right and not one dependent on, or exposed to, the market (Khunou, 2000).

Most of the respondents argue that JW's Operation Gcin'amanzi disregards existing inequalities within the Phiri community.

It allocates the same amount of free basic water to households. Thus, the well off, mostly made up of few family members end up not paying for water. On the other hand, the poor, mostly comprising household of up to ten members (including the ones with backyard shacks) use their last cents to purchase water when their FBW runs out (Group Discussion 4).

One can question the motives of Operation Gcin'amanzi's free basic water because, instead of helping the poor who are generally dependent on government's social grants for survival, FBW emerges as a form of subsidisation for the wealthy people (Group discussion 4).

This kind of intervention has created a number of imbalances within the Phiri community. Furthermore, this intervention shows that the incorporation of privatisation (and prepaid water meters) does not necessarily address the real objectives of sustainably managing water or bring the promised growth and affordability to all. Instead, the regulation of water usage by Operation Gcin'amanzi's prepaid water meters converts basic municipal service provisions such as water into arenas of social conflicts, instability and dissatisfactions.

For some people, privatisation perpetuates social and economic inequalities, conflicts and also leads to unfulfilled human potential within civil society networks. These problems of inequalities, conflicts and lack of fulfilment in the human potential undermine democratic efforts and the creation of just and prosperous societies (SA New Economic Network 2005, 1)

Inequality and poverty are reflected in infrastructure and related services in Johannesburg (Bond 2004). Social inequality is the expression of lack of access to basic services- that is, water and sanitation, housing, health care, education, employment opportunities and status. It is the exclusion of people from

full and equal participation in what we, the members of society, perceive as being valuable, important, personally worthwhile and socially desirable (<http://hsc.csu.edu.au/pta/scansw/socineq.html>). Prepaid water meters are having devastating effects on the already fragile social cohesion of poor communities. Communities are not only being forced to live according to how much they can afford than according to their life needs, but traditional and cultural practices that are based on communal and collective approaches to water and life are also being eroded, and social relations are constantly undergoing change and facing pressure (Public Citizen et al, 2003). In the words of Ngwane (2004) the concentration of private sector participation in service delivery has developed to such an extent that it has created monopolies which play an important part in shifting delivery through economic channels.

In Phiri Township, a large majority of people are unemployed and for those who are employed, this is usually in the informal sector. Most do not have a source of income like those who are formally employed and some live on pension funds and social grants (see table 3 and 4). Members from CAWP and SECC also contest the merits of JW's Operation Gcin'amanzi, which advocates for 6000 litres of free basic water (FBW) per household per month. They argue that Operation Gcin'amanzi's FBW does not meet the World Health Organisation's (WHO) support for 100 litres of water per person- per day as the amount needed for the survival and health of citizens (The Big Question 2006).

**Table 4:** Monthly Household Income (After CAWP et al, 2004: p12)-  
<http://www.citizen.org/documents/phiri.pdf>).

	# of People	Percentage (%)
No Income	3	1
Under R500	7	3
Under R1000	11	5
Under R1500	17	22
Under R2000	16	21
Under R2500	19	26
Under R3000	14	18
Over R3000	8	4
Total	97	100

According to Fiil-Flynn (On-Line Interview, July 2005) the introduction of prepaid water meter technology does not emphasise equitable and affordable basic service delivery, but usually leads to the opposite. The issue of affordability was not clearly considered in the development of prepaid water meters.

### **3.10. Conclusion**

Local municipalities are seen as the appropriate authorities to carry out basic service delivery needs and their associated maintenance, and are envisaged as being capable of acting collectively towards common interests in service delivery- to satisfy livelihood needs. However, according to Respondent 27, our municipalities lack capacity; they need more workshops and skills to deal with the mammoth task of providing services. But the government cannot afford to wait until this is implemented. Something needs to be done to rectify the meagre and second rate services our municipalities offer. The challenge is therefore to ensure that municipalities are capacitated to sufficiently deal with the provision of basic services within local municipalities.

Water is represented as a collective resource to which all human beings are entitled (CAWP 2004). The impression obtained from a number of interviews and group discussions is that many people in Phiri are frustrated with JW's disregard for poor households. This has become evident when JW's Operation Gcinamanzi is introduced on the grounds that people must pay for the services they use, as one way of being responsible and water wise. This has translated into the local 'outsourcing' of service delivery such as water to the private sector. The private sector individualises the relationship of people to water, with individual right dependent on individual ability to pay (CAWP 2004).

Water has come to define individuals' right to life. It has also come to define ways in which community members relate and interact within the context of democracy. Water is needed, not only as a life-forming resource, but also to inspire people to engage in various tasks to enhance their support structures and also for commercial gains. When the resource water is put on the market, the communities start to struggle to make their payments and their support structures eventually become eroded. For this reason, consultation with community residents regarding the installation of prepaid water meters is absolutely crucial.

## CHAPTER FOUR

### RESEARCH ANALYSIS

#### 4. Resistance to the privatisation of water services

##### 4.1. Introduction

*Water is the main driver for development and a life-sustaining resource (Respondent 11).*

Johannesburg's rapidly growing population requires an abundant supply of water and other related service. Water- the main driver for development and a life sustaining resource worldwide- is currently treated as a commodity to be bought and sold. In the South African townships such as Phiri in Soweto, Operation Gcin'amanzi (Operation Conserve Water) campaign was introduced to meet the escalating demand for water services. To achieve this, the campaign was tasked with improving a more effective and efficient water service by replacing existing water service infrastructures (JW 2004) such as the installation of prepaid water meters. The primary objective of prepaid water meters was to reduce excess use of water and encourage water conservation (Yitbarek 2004). However, in the previous chapter the research report has illustrated JW's Operation Gcin'amanzi does not adequately address issues of affordability and maintenance in relation to basic water service.

It has become a strong recommendation by a number of respondents that South Africa is hard-hit by the high unemployment rate which even makes access to basic water in affordability term more difficult.

South Africa is undergoing a serious transformation in all sectors, water is one of them; unemployment is the major concern if we are to succeed. Therefore priority should be redirected towards dealing with an unemployment issue before making people pay for basic services (Respondent 11).

**Table 5:** Illustrating Different Sources of Household Income

	# of response from respondents	Percentage (%)
Formal Employment	10	14
Self-Employment	25	35
Pension	15	24
Social Grants (i.e. Child/disability grants)	10	15
Renting (of extra rooms/ backyard shacks)	5	8
Other	2	4

Table 4 above illustrates different sources of household income for respondents in Phiri. A household's income status inevitably determines affordability of water service. On the one hand, very few of the respondents held formal employment and this puts them in an advantaged position in terms of water affordability. On the other hand, some of the people are self-employed, yet their income earnings from their daily activities determine their chances of getting basic water service for their households' consumption. Whereas, most of these people live on government social grants and pension funds, yet they encounter similar user charges and similar amount of FBW in as far as prepaid water meters are concerned as compared with the rest of the groups.

#### **4.2. Water as part of Social citizenship rights**

Development strategists are urged to incorporate in their plans mechanisms to assure accountability, transparency, participatory decision-making, non-discrimination and attention to vulnerable groups, social justice, equity and empowerment (Ngwenya 2006).

Citizenship entails being able to participate in society, to enjoy its fruits and to fulfil one's own potential, and it follows that each individual citizen must be equally able (or 'empowered') to do so. This suggests two things: first, that all individuals must have equal access to, amongst other things, to basic water and other services necessary to give them an equal chance in life. Secondly, no one should be subjected to unfair discrimination (Anna Coote; in Martin 1993, 188). For these theorists basic water is fundamental to citizen rights and should be made available to all, irrespective of individuals' ability to pay. This is not only required by social justice, but also by the interest, which the government has in maintaining the health and effectiveness of the population (Martin 1993, 192).

The anti-privatisation activists see prepaid water meters as a 'commercial imperative'; in that the resultant provision of water- as many contend- comes as a form of "Pay-for-it" or "Live without it" kind of strategy (Fiil-Flynn 2005). The question now remains: how are people going to live without such a 'life need' as water? As such, a general feeling in the Phiri community is that a basic necessity such as water must not, in any circumstances, be commodified or be seen as possessing monetary value. In its natural and vital resourcefulness and importance, water should be distributed equally and free of charge (Respondent 85). That is, in instances where water service delivery results in conflict and dissatisfaction, it (water) should be 'de-commodified' (Khunou 2000).

On the 29 January 2006 ‘The Big Question’, the television show by Masechaba Moshoeshoe, held a debate on the question: ‘Should we pay for water’? This debate was central to the relationship of Johannesburg Water Company and the community of Soweto relating to the delivery of clean and affordable basic water. Among the discussion panel were members from Johannesburg Water, McKinley from the CAWP and Tebogo Mashota from the Soweto Electricity Crisis Committee (SECC). These proponents contend that water is one essential trait of ‘social citizenship right’ but vary in terms of how this right is to be adequately enhanced. On the one hand, members from JW argued that the installation of prepaid water meters in Phiri will result in the consistent supply of basic water service. On the other hand, members from the CAWP and SECC argued that water is needed for personal hygiene and for other domestic responsibilities, and that we are morally bankrupt to make poor people pay for water (The Big Question, 2006). McKinley (in The Big Question, 2006) for instance, argued that large agricultural corporations and industries consume massive amount of water, but are largely discounted for that water. Therefore the focus of JW should be to make these big businesses which generate massive revenues, pay for the water that they use as a competitive or even cross-subsidising rate.

#### **4.3. Public Participation and water services in Phiri**

Public participation is defined by Sachs (1993, 120; in Maema 2003, 24) as “the organised efforts to increase control over resources and movements of those hitherto excluded from such control” including Interested and Affected Parties (IAPs), that is, “individuals and groups concerned with an activity and its consequences” (CSIR and DEAT 1999; Maema 2003). International best practice and the ANC development strategy both emphasise that water service delivery projects should be prioritised through a process of on-the-ground consultation with local communities (DWAF 2002). However, in many instances, lack of access to water is caused by poverty, which is a lack of power and socio-economic rights rather than simply a lack of money. In other words, the right to access to water depends on the realisation of many other rights. Therefore, reinforcing the rights of the poor is the condition of poverty removal (The *Jo’burg Memo* 2002, 23). For instance, access to water is controlled by access to funding, economic life, education and political power on which individual livelihood base is formed. Access to water at an affordable cost requires resources, information and a knowledge base to use water wisely. There is a primary necessity for education about how (ways) to use water as a finite natural resource that needs to be preserved.

There is an explicit link between water, power and politics (Mehta 2000) in the decision-making relating to the prepaid metering systems. Although many such private sector organizations such as Suez claim to enhance service delivery processes in Phiri, numerous authors (see Ayres 1983; Spulber et al, 1994; the Groundwork Report 2003, Maluleke 2004; CAWP 2004) have illustrated that these organisations are still motivated by profit attractions from LDCs. Nonetheless, one of the key ways in which the poor can gain access to political power and socio-economic rights (citizenship) is through public participation. The participation process, however, is burdened with problems. Maema (2003, 3) points out that the process often amounts to 'pseudo participation' and in some instances 'false victories' for participants in service delivery through private sector provision.

In many instances PP process is undertaken in ways that satisfy and comply with the legal expectations stipulated in the South African constitution in support of the proposals for development. In reality public participation (especially in the recent installation of prepaid meters in Orange Farm- Stretford Extension 4) does not adequately address the needs of communities. In Phiri, the need for participation was recognised by the respondents:

Our government must do proper consultation and public participatory process so as to engage people on the ground on this issue because it affects them. The government must also be realistic as well about this situation which the community is forced into (Respondent 85).

However, while being aware of the process, few were familiar with the procedures. The only parties familiar with public participation are the officials from Johannesburg Water, City of Joburg and members from social movements such as the APF and SECC. In group discussions, respondents claimed that JW used posters to engage the community in its water service delivery infrastructure and planning. JW disseminated information regarding the installation of prepaid water meters using posters that some people destroyed before others could read them. As such most people were surprised to see the construction of the infrastructure support for the prepaid water meter technology (Group Discussions 5, 10, 12 & 16). People started to be informed particularly when meters were in their installation process, and this explains why some protests demonstrating a feeling of dislike towards these meters erupted. The Anti-Privatisation Forum and the Soweto Electricity Crisis Committee led these protests (Respondent 42).

Given South Africa's democratic standing, the media is also able to debate the merits and demerits of prepaid water meters. Ngwane (in *The Big Question*, 26 June 2005) argued that the poor are no longer

found only in rural areas but increasingly agglomerated in urban areas such as Johannesburg and its surrounding townships. It is the responsibility of the poor to emancipate themselves through coming together as a collective and stand up for their social and citizenship rights. This is mainly because in this democratic era the poor have become even more socially excluded and marginalized from the ‘survival means’ and this is disguised by the concept of democracy.

Most poor people are afraid or are reluctant to participate in development programmes having the notion that they have ‘no say’ and that they have ‘no political voice’ that will extend beyond their dislike of programmes that subsequently impact negatively on their sustainable livelihood and right to life (Respondent 77).

This needs to be changed and the role of public participation and existing social movements provide impetus to ‘public voices’ in the development and upgrading of service infrastructures; for example, through Operation Gcinamanzi campaign in Phiri and elsewhere.

#### **4.4. Activism against prepaid water meters in Phiri**

*“We cannot afford to have a system of government based outside the needs and interests of the people”-*  
Prof. Moyisi Majeke (Interview: February 2007).

The existing dominant policy paradigm on privatisation in developing countries, particularly South Africa, has led to a high level of political mobilisation within communities with numerous movements taking the leading role against prepaid water meters. The Anti-Privatisation Forum (APF) is countering the post-apartheid vision of local government and service delivery, within the democratic government’s GEAR policy. Thus activists from the APF contend that:

As long as anti-poor and inhumane neoliberal policies continue to be implemented, so will they continue to speak out, organise and fight such policies and those who pursue them, whilst building the seeds of popular, grassroots and anti-capitalist democracy (McKinley 2005, 25).

The APF argues for the provision of free basic services for all. This was a pledge made by the government of national unity, but the APF regards the ANC government’s promises of free water as empty. The APF argues that:

The ANC government promised us free water and electricity during the 2000 local government elections. Are pre-paid water meters giving us free water? No. Pre-paid water meters are about

making profits for the capitalist bosses of Johannesburg Water Company. The Johannesburg city council has given this private company the power to run our water and make profits. They are installing pre-paid water meters to make sure that we pay for the water. The ANC councillors lie and say pre-paid water meters will bring free water of 6 000 litres per family. This amount of water is too little for us. The ANC government's promise of free water is an empty promise; all they want is our vote (Bhasobha-Pasop, JW Company and City Council, in a Leaflet issued during the APF March on 03 March 2004-[http://up191.apf.m2014.net/article.php3?id\\_article=145](http://up191.apf.m2014.net/article.php3?id_article=145)).

However, the prevailing perspective from government regarding prepaid water meters is that people are advised to pay for basic service delivery needs such as water as a way of encouraging the consumer to value the service and preserve the resource (Yitbarek 2004). The pricing of water is said to regulate the consumption and reduces overuse and mismanagement of the resource.

Based on the backlog left by legacies of the previous system, some people are still struggling to meet their debts that were left unpaid. Due to the large amount of debts incurred by most residents, it is important for government to now move to prepaid meters so that people can only utilise what they pay for. This will raise awareness and also instil an attitude of carrying for the resource and infrastructure that are distributed in the name of service delivery to the people (Respondent 93).

According to Fiil-Flynn (Online Interview, July 2005), the term 'privatisation' means "lack of oversight and accountability". In South Africa, Suez is part of the management that introduced prepaid water meters in Joburg. Using prepaid water meters is just another level of commoditisation and lack of accountability. McKinley (2005) pointed out that the commodification of the most basic needs such as water reflects an untrue democracy with its system been equated to those from the previous government. Moreover, prepaid water meters are seen as another means to effect 'cost recovery' and limit the already minimal availability and access to water for the poor (McKinley 2005). This explains why social movements come into play to defend the needs of the people at the grassroots against the installation of prepaid water meters.

Many argue that the provision of safe and clean water by private corporations is an example of "white-wash". This means that the South African government is using the wrong technology to deal with issues of poverty and service delivery (Fiil-Flynn: Online Interview; July 2005). PPWMs do not help the government live up to its promise of ensuring free and affordable service delivery. Rather, they reflect Naidoo's (2005) notion that prepaid water meters are today's malicious manifestation of the commitment to market and profit interests over people's needs. A general feeling obtained from most interviews is that these meters in general are not a technology that will work for the poor. Instead they are a challenge for

them in trying to make and meet very basic priorities. One must therefore assess affordability instead of the recovery of investments because water is too essential to have a system that automatically cuts off poor people. For this reason, the South African government needs to abandon its rigid policy to impose meters on all South Africans (Fiil-Flynn; Online Interview, July 2005). This would assist to achieve citizenship rights and social security.

#### **4.5. The role of Social Movements in the promotion of rights to Social Services**

According to Maema (2003: 45) different challenges have emerged in communities engaging with the different reforms and restructuring of municipal services. Communities have not been passive victims of these reforms and restructuring processes as there exist different social movements formulated against the negative impacts the (neoliberal) restructuring processes have on different communities in South Africa (Maema, 2003). In Phiri, these social movements are taking the leading role in the struggles against PPWMs. This is primarily the case because, like Schuurman (in Bond 2004, 8) puts it, social movements are “social organisations with a territorially-based identity striving for emancipation via collective action”. They are a major asset in the effort to democratise and develop our society (Bond 2004).

According to Della Porta and Diani (1999: 7) social movements are “collective movements rationally engaging in an action aimed at fulfilling common interests”. For instance, mobilisation of collective resources (such as water) on which the action is founded. Marshall (1994, 489) defines social movements as “organised efforts by a significant number of people to change (or resist change in) some major aspects of society”. They are a collective mobilisation on the distribution of power within society (Della Porta and Diani, 1999). In South Africa, social movements are mobilising to defend the interests of marginalized and previously disadvantaged people against the neoliberal policies promoted by political and economic elites (Mckinley, 2005). Such movements in South Africa include the APF, CAWP and SECC. These movements have now come together to take up the fight against prepaid water meters (PPWMs), they work together as the communities’ mouthpiece- and are now campaigning for water justice.

The strengths of social movements has therefore been their ability to build on the frustrations and rage of people who see their quality of life threatened by technological systems and perceive themselves as victims...they emphasise information that extends, in practice, from relatively narrow demands for the right of citizens’ access to practical facts (Fischer, 2000: 111-115), for example the right to free and affordable basic services such as water.

Social movements represent collective identity, ideology, goals and actions operating within civil society (Maema, 2003). Castells (1997) adds that social movements have a specific adversary that the social movement is working or plans to work against. Social movements represent the most influential political movement of our time (Castells 1997). The reason for this is that they retain the strategic counter-power strategies and popular support that transcend gender, class and geographical location from the different liberation movements; as inherent in current social inequalities (Maema 2003).

In Phiri Township, the Anti- Privatisation Forum (APF), Coalition Against Water Privatisation (CAWP) and the Soweto Electricity Crisis Committee (SECC) are emergent social movements counteracting the merits of privatisation against citizens well being and the right to basic services. They have a key role to play in arguing for a democratically motivated access to water for all. The Water Services Act of 1997 states that water providers must give reasonable notice before they cut off water supplies to the people. It specifically states that a person's ability to pay must be taken into consideration when making the decision to stop water provision (OWCC et al, 2004). The main international water companies which have taken the plunge- Suez, Vivendi, Biwater and Saur- have already shown a propensity to deny water services to low-income communities (Bond 2003). This seems to be the case to an extent that these international water companies do not pay a considerable attention to the masses contesting against water privatisation. Thus the aforementioned social movements serve as the mouthpiece of the poor and seek to mobilise them against the selling of life-needs such as water. This vital municipal service is today the main site of civil society struggles (Bond 2004). Social movements represent the working class in the fight for common interests.

According to McKinley (2005) educational and legal initiatives have been combined with regular mass struggle and have been aimed at empowering ordinary South Africans to reclaim the right to free basic services, for example, water and electricity ([http://www.sarpn.org.za/documents/d0000584/P531\\_McKinley.pdf](http://www.sarpn.org.za/documents/d0000584/P531_McKinley.pdf)). These struggles resulted in the formation of the Coalition Against Water Privatisation or CAWP in late 2003. With the assistance of the APF and CAWP, poor township residents have launched a campaign called "Operation Vulamanzi" (Water for All), which has helped residents physically bypass certain privatised water control measures such as pre-paid meters (<http://www.ukzn.ac.za/ccs/files/Article%20on%20APF...>). Operation Vulamanzi is a slogan used in Orange Farm led by the APF affiliate, the Orange Farm Water Crisis Committee

(OWCC) as a form of active resistance to PPWMs by engaging in the destruction of these meters (McKinley 2004).

Furthermore, the Anti-Privatisation Movement has continued to raise important questions about the high social, environmental and developmental costs of relying on private municipal service delivery. The advent of democracy has not resulted in an official rethink of such reliance and consequent predicaments. If anything, there has been continuity in the support given to privatisation. In this context, it is necessary for civil society to become the key watchdog of the industry and the main campaigner for alternatives, to protect our democratic rights whilst simultaneously ensuring security in all respects. Cock (2001,\*\*\*\*) defines security as:

An all-encompassing conditions in which citizens live in freedom, peace and safety, participate fully in the process of governance, enjoy the protection of fundamental rights, have access to resources and the necessities of life and inhabit an environment which is not detrimental to their health.

Municipal service delivery, as most respondents argued, was deemed unreliable, scarce and costly by the government, who constantly laid a claim about peoples' refusal to pay the municipal water bills. Thus, under the pre-paid system, a household's water consumption is largely driven by its likelihood and willingness to pay before the actual consumption. However, most people see the actual penalty of non-payers with an entire change of the system (from public to private provision) as currently resulting in conflict.

McKinley from the APF (in an interview: May 2005) disputes the merits of prepaid water meters. He argues that prepaid water meters are unconstitutional, and his argument is based on the following three reasons:

- Prepaid water meters violate the right to basic/sufficient amount of water,
- Prepaid water meters are discriminatory- both in race and class terms, and
- Prepaid water meters violate our rights to due process- to administrative justice.

The introduction of prepaid water meters reveals that the government treats the poor unfairly, in that people are also not empowered to exercise their rights. Thus the APF and other social movements are making sure that the voices of the poor are been taken into account, and also calls for the redistribution of wealth, and water is this wealth (McKinley, interview: May 2005).

#### **4.6. Local struggles concerning prepaid water meters**

Already, the social, political and economic impacts of water scarcity are rapidly becoming a destabilising force, with water related conflicts springing up around the globe”- Barlow and Clarke 2002 (in Yitbarek 2004, 70).

Recent studies (see Maema 2003, CAWP 2004, McKinley 2004, Public Citizen 2004, Yitbarek 2004) have documented existing global resistance to water privatisation. These studies have demonstrated the need to convert the importance of water from economic good (or a resource that possess monetary value) to one that is guided by the human right principles. For instance, both local and international groups involved in the struggle against water privatisation jointly contest the alleged merits of prepaid water meters and water privatisation. They argue that water is a human right and everyone should have access to this life- need. In instances where community needs were not adhered to, demonstrations and protests against water privatisation have been some of the main activities in the struggle against water privatisation worldwide. In Yitbarek’s (2004, 70) words, the struggle against water privatisation is to make sure that water has no price tag that discriminates against unprivileged poor and unemployed communities.

In South Africa, resistance to privatisation of water services started since the adoption of a policy that facilitates privatisation and labour flexibility- GEAR policy. Since the contracting out of the municipal services (water and electricity), communities mainly from poor neighbourhoods have raised their concern on the mechanisms of service delivery that support them to pay progressive water rates and installation of prepaid water meters (Yitbarek 2004). As a result, the prepaid model of water service delivery was seen to divide people according to ‘class’ in that consumption of water becomes a privilege for the well-off. The ‘commoditisation’ of natural resources such as water by the neoliberal strategy has led to major (socio-economic) inequalities. These inequalities have thus fuelled the crisis in water service delivery. Several studies illustrate intense demonstrations and protests by residents demanding free services for all (again see Maema 2003, CAWP 2004, McKinley 2004, Yitbarek 2004). In Yitbarek’s (2004) study, for example, service providers and municipalities try to force households to pay for the services used through water supply cut-offs and disconnections. This measure is a common phenomenon in poor urban areas and townships because they are areas where social groups and civil society organisations emerge in solidarity to mobilise communities against the privatisation of the ‘commons’.

In the Phiri community, the prepaid water meter technology was accompanied by a series of riots and contestations. There was an overall 'disenchantment' with water privatisation and the private sector involvement by the Phiri community residents within the water service delivery infrastructure and related networks. This disenchantment was followed by several protests and a series of vandalism to JW Operation Gcinamanzi campaign's property and related infrastructure in a manner that pursues a fight against prepaid water meter installations.

The destruction of Operation Gcinamanzi's infrastructure has been our way of dealing with the encroachment of this monster to the water delivery networks in our township. Government people would not help us in any way since they are the ones forcing this type of development to our community. As such, one way of showing that we dislike this type of water delivery project is through a serious destruction of the infrastructure developed to oversee success of prepaid water meter installations (Group Discussion 14).

The collective political impact of the campaigns against water privatisation in the Phiri Township has become remarkable. Operation Vulamanzi, for example, has become one of the campaigns introduced by social groups together with community residents to safeguard the interests of communities and to reinforce or augment the fight against prepaid water meters. There has been strong public resistance to water privatisation in the townships of Soweto, particularly in Phiri. This resistance was supported by several organisations, social groups and activists with the intention of mobilising residents of Soweto townships to jointly partake in the actions to stop water privatisation and government's attempt to promote private sector involvement in the running of public services. These social groups support each other's actions in defence of public water. The most fundamental reason to support actions against prepaid water meters, as Ngwane (2003) pointed out is that prepaid water meters endanger the lives of those consumers who are unable to afford the tokens that open access to water.

According to Hall et al (2005), opinion polls show that privatisation has been associated with deteriorating socio-economic conditions, for example, greater poverty, increased cost of living, social instability and so on. In Phiri community, this led to SAWC in solidarity with Phiri and Soweto communities, the APF, SECC, OWCC, among other organisations denounced the installation of prepaid water meters (Yitbarek 2004). These social groups opposed the private sector involvement in water service delivery and underscore the inadequacy of the free basic water.

For instance, while the JW utility poise its image as one that strives to increase access and affordability of water through the implementation of ‘Operation Gcin’Amanzi’, the APF and CAWP see the existence of this project as attributable to popular pressure/struggle by the masses. Apart from explicitly stating that prepayment can be considered to be a water demand management tool, these movements still argue that the outcome of this scheme’s free allocation of 6 000 litres of water per household per month does not necessarily meet the basic water needs for millions of people (APF and CAWP, 2004). This, as already indicated, explains why community residents in Soweto introduced *Operation Vulamanzi* (water for all) as a form of active resistance to prepaid water meters by engaging in the destruction of these meters (McKinley 2004, <http://www.ukzn.ac.za/ccs/files/Article%20on%20APF>). According to the White Paper (1994, 4), poor communities, for lack of both funds and organisation, have not been able to take advantage of their ‘right’ to primary water supplies. This explains why members of the CAWP and SECC support the full implementation of ‘Operation Vulamanzi’, which exists as an alternative solution to liberalisation and the ongoing struggle surrounding privatisation and water service delivery.



**Figure 6:** Critiquing Johannesburg Water’s Operation Gcin’amanzi campaign (<http://southafrica.indymedia.org/news/2004/07/6395.php>).

According to the APF (2003), Johannesburg Water company’s Operation Gcin’Amanzi is a cynical campaign to increase the profits of JOWCO at the expense of the poor. It seeks to deny the basic right of all South Africans to water (APF 2003). To this end, households have now resorted to self-disconnections as an act against prepaid technology (McKinley and Ngwane, 2004). Destruction to Operation Gcin’amanza’s infrastructure was also one form of struggle against and resistance to the prepaid

technology (Respondent 99). Movements such as the APF, CAWP and SECC intensified the struggles. According to McKinley (Interview: May 2005) the APF counters JW and government's public claims about the imposition of prepaid water meters on the poor. According to McKinley, prepaid meters are an attempt to marginalise the poor, and those who oppose them are perceived as people who do not need development.



**Figure 7:** 'Do not privatise our water' (<http://southafrica.indymedia.org/news/2004/10/6719.php>).

Johannesburg's servicing of townships such as Phiri has, in recent years, followed global-scale processes associated with intensified competitiveness and decentralisation of services, as well as with social grievances and protest (Bond 2004). Quite recently, the residents of Chiawelo, Phiri and Dlamini joined residents elsewhere in Soweto on a protest because their request to JW to stop the installation of prepaid water meters (PPWMs) had not been heard. This led to the drastic action of disrupting traffic on the Old Potch road, the main thoroughfare through Soweto, on Tuesday morning of 5<sup>th</sup> October 2004 (SA Independent Media Centre, 2004). Police were out in force to disperse the protestors using stun grenades and random arrests. Ten people were arrested including pensioners and youth activists (SA Independent Media Centre, 2004).

The APF and some residents of Phiri Township are of the opinion that Operation Gcin'amanzi campaign's FBW programme is a tactical way of suppressing the views of the people at the grassroots. This condition

is seen as a direct result of the neoliberal system, affecting the conditions of living and service delivery in poor urban communities. Therefore, within the water service delivery networks, a balance needs to be maintained in accordance with the resources and infrastructure available to maintain the supply and distribution of such a life-need as water.

The ANC government leads the ‘tools of analysis’ to embark upon development policies and programmes. However, in its constituency, the ANC government forms ‘professionalised services’ by a way of endorsing policies which demand that people must pay for services- Prof. Moyisi Majeke (Interview: February 2007).

The right to water requires government activities to progressively increase the number of people with safe, affordable and convenient access to water. The right to water also includes the obligation to ensure non-discriminatory access to water, especially of the marginalised and vulnerable sections of society. Most officials argue that strategies to ensure non-discriminatory and affordable access to water can employ private companies operating in a liberalised, but regulated market. However, the empirical evidence gathered from Phiri Township points out to that private companies operating in a liberalised form usually operate to accumulate profit and that they do not adequately achieve equal and non-discriminatory access to water.

Therefore, the selling of rights to private institutions is one way of constraining human access to basic services. The right to basic water requires government activities to progressively increase the number of people with safe, affordable and convenient access to water. According to Laifungbam (2003) the right to water also includes the obligation to ensure non-discriminatory access to water, especially of the marginalised and vulnerable sections of society (<http://www.jubileesouth.org/news/EpZyVVlyFygMevRBey.shtml>). Most officials argue in support of PSP in service delivery. They argue that companies operating in a liberalised, but regulated market have the potential to ensure non-discriminatory and affordable access to water. However, the empirical evidence gathered from Phiri Township points out that private companies operating in a liberalised form usually operate to accumulate profit and that they do not adequately achieve equal and non-discriminatory access to water.

A general feeling gathered in the Phiri Township is that the only way that the dichotomy between the public and private water service delivery can be resolved is if FBW can be made abundantly available to the poor, most notably those on social grants. It is also important to shift the power and revitalise the role of the public in service delivery. This is inevitable through a democratic and accountable system of governance that was encoded in the ANC's Reconstruction and Development Programme or RDP. The RDP set out that each and every person is entitled to 50 litres of minimum provision of water per day. As already indicated, since the RDP was abandoned and replaced by the GEAR strategy such provision has now declined to even less than 20 litres of water per person per day, approximately 19 litres that comes from the government's Free Basic Water. According to WHO, 19 litres of water per day is not enough to sustain human development.

The exposure of the impact of water privatisation encapsulated in this paper comes from three principal angles, namely:

1. That water should be treated as a 'human entitlement',
2. That the dichotomy between the public and private water service delivery produces unbalanced outcomes,
3. That the "responsibility for water services rests with the government, and a democratic and accountable system of governance being a prerequisite for an equitable approach to water services" (Aegisson 2002, 10).

The reason why it is so important- are the profound practical implications for communities, municipalities and other NGOs involved in ensuring basic service delivery in South Africa. This should be guided by the principle of democratic fair dealing and transparency within municipalities and people in different geographical spaces. This explains why members of the CAWP and SECC support the full implementation of 'Operation Vulamanzi', which exists as an alternative solution to liberalisation and the ongoing struggle surrounding privatisation and water service delivery. For these people, this viewpoint has emerged due to the realisation that 'capitalism' means a wrong (or skewed) distribution of wealth and power.

#### 4.6. Conclusion

The South African transformation process is compounded by ‘competing rationalities’ in relation to the delivery of services such as water to the public. These competing rationalities relate to the debate on whether water should be designated a ‘need’ [provided on a *for-profit* basis] or a ‘right’ and ‘entitlement’ [equally accessed on a *non-profit* basis] (Barlow et al, 2002). Prepaid water meters have been the signature of Johannesburg Water’s Operation Gcin’amanzi campaign launched in September 2003 with the aim of improving water service delivery in the townships of the Greater Johannesburg area. However, the good intentions of JW’s Operation Gcin’amanzi only appear to be of first-class quality on paper but not in practise. In practice, a general feeling obtained from the majority of the group discussions is that Operation Gcin’amanzi campaign’s role of providing municipal services is associated with existing lack of transparency and weak accountability.

Numerous claims are made that Operation Gcin’amanzi campaign narrowly focuses on providing services at a cost. The campaign emerges as a service delivery programme that fosters prepaid meter infrastructure that treats water as a ‘commercial imperative’, a tool that regards water as a commodity to be put on sale. It becomes short-sighted in that it does not take income inequalities into consideration when introducing prepaid water meters within poor townships. The need for water is great, yet poor local communities will not be able to pay high user charges incurred as a result of their consumption of water. A multi-dimensional concept of ‘poverty’, in this instance, is based on an understanding of poverty as a lack of power, security, safety and opportunity (Ngwenya 2006). There is enormous socio-economic engineering needed to deal with communities’ poverty stricken circumstances such as access to clean and affordable basic life need (water).

The empirical work conducted reveals that Operation Gcin’amanzi campaign on its own fails to acknowledge or account to existing gaps in household income levels and the number of household members who are at the receiving end of free basic water. It treats every individual household the same and makes free basic water available to some of the households whilst others remain in massive cash payments to receive water. Clearly, some of these people are dependent on government’s social grants for survival needs. The role of social movements becomes imperative to deal with issues such as unmet basic needs by the poor. These social movements are aware of the transformation processes in South Africa. However, they maintain that the transformation and restructuring path followed undermines its efforts for

'unity in action for change' and the concept of 'redistribution'. Here the ability of the nation-state to protect and promote the public interest has been undermined and the authority of its citizens usurped (Martin 1993). This is due to the notion that South Africa bases its future development possibilities on privatisation. This is illustrated by its commitment to the newly introduced GEAR initiatives such as the Igoli 2002 and Joburg 2030. It is due to these kinds of development frameworks that South Africa suffers from a 'dual' society and class antagonism. It also lacks the incorporation of genuine democratic values supported by the public and serving the interests of the public.

## CHAPTER FIVE

### 5.1. Defending social citizenship rights

South African communities have become the battlefield between contesting 'investor rights' and 'human rights' (Respondent 11).

The recognition of social citizenship rights is a larger component needed for successful realisation of the basic service delivery rights and many other interrelated rights. However, the major contestations emanating from prepaid water meters posit that development projects are not easily recognised and adhered to. The water service sector has recently shifted to a more developmental approach, with emphasis on local governments delivering and operating services regulated by the national government. More attention has been given to providing a free basic water and sanitation services to the poor, while making sure service providers remain financially stable (IDASA 2006). The provision of basic necessities such as water should take into account the social security and citizenship rights, and this can be realized through community involvement in emerging development projects. However, huge social inequalities are one of the key driving forces to social instability in society. These inequalities are embedded in our current democratic form which inevitably enables the production of political stratification. However, the state has fundamental and important economic and social roles. The effective performance of these roles requires the development of new approaches to the way public sectors are run and relate to society and its citizens.

The concept of citizenship is being made synonymous with modernisation or democratisation. According to Procacci (2001, 49; in Burchell 1995) the concept of citizenship is perceived as a strategy to govern processes of social change by creating citizens. "Citizenship and citizens' rights are not mere expressions of membership ties, but more with changing conditions, expectations, and citizens' practices. Citizenship is thus undermined in contemporary social reforms under the dominance of orientations such as flexibility, marketisation, privatisation and so on- all promoted as 'new' solutions to social problems" (Procacci 2001, 50). While marketisation is mainly at work reforming social services, privatization most often inspires current displacements of social policies.

Social citizenship- the provision of social rights to welfare that are equal for all citizens- is determined to a significant extent by the nature and character of public services provision (Procacci, 2001). Privatisation is ideologically based on consumerising a service. In this process, people assume the role of 'customers',

not 'citizens'. Therefore, the privatization of social services and 'user pays' philosophy justify a rejection of welfare systems based on social citizenship rights. Social citizenship encourages the participation of a broad range of urban residents citizens. As Procacci (2001, 50) further articulates, social citizenship enhances public action, making citizenship a way of acting, more than a way of being. Such action is achievable by popular social movements for collective mobilization, civic associations and community solidarities oriented toward sustaining a participatory public life (Somers, 2001) through a cohesive link among members in a society.

## **5.2. Merging the power-base in the supply and accessibility of basic services**

The significant problem that we face cannot be solved at the same level of thinking we are at, when we created them- Albert Einstein.

We need to enhance our communities' social security. Security in this context refers to "an all encompassing condition in which citizens live in freedom, peace and safety, participate fully in the process of governance, enjoying the protection of fundamental rights, have access to resources and the necessities of life and inhabit an environment which is not detrimental to their health" (Cock 2001). Water service delivery in the democratic South Africa has been complemented by a number of support programmes. For example, Operation Gcin'amanzi, Free Basic Water, Masibambane Support Programme and Water-wise; all of which are generally aimed at harnessing appropriate resources and building local government capacity to tackle water service crisis. These also assist in terms of empowering and emancipating the locals by a way of helping them help themselves through using resources available to meet their basic requirements. Operation Gcin'amanza's Free Basic Water programme, for instance, is steadily gaining acceptance because it is seen by some as a sustainable way of ensuring clean and safe water.

The purpose of this research report has been to identify the role of human rights in processes to facilitate the socio-economic and political emancipation of communities that have been marginalised and are still benefiting little from global economics (Ngwenya 2006). At present, the South African government's legitimization of public service delivery to private corporations has now fallen under closer public scrutiny. Various social groups and movements (APF, CAWP, Public Citizen, and SECC) are currently mobilizing the public against the government's encouragement of privatization as an alternative to the expansion of its responsibilities in the provision of basic services

The emerging social groups and movements present themselves as the voices of the public and are striving to do away with the capitalist policy of privatisation. Privatisation is perceived as a policy that alienates the public from its entitlements and right to life. It is in this context that social movements are of the belief that we should not live in total confrontation with one another as atomised individuals alienated from each other, but as ‘colleagues in a collective human enterprise’. The neo-Marxists believed that this form of socio-economic alienation directly produces inequality, class division and antagonism and a host of social problems (Knapp 1994). In the South African context, this socio-economic alienation becomes evident when the poor become so short of money that consuming clean and affordable water is almost impossible (Monbiot 2004).

This study reflects that the current situation in South Africa is no longer about ‘democratised’ delivery but more to do with ‘privatised’ delivery. The consolidation of South Africa’s democracy depends on the capacity of the post-apartheid state to meet human needs (Cock, 2000). This means a more drastic and comprehensive shifting of resources away from the neoliberal agenda of ‘privatisation’ to address the real threats to our collective security. These threats are poverty, inequality, unemployment and real access to basic services. Access to such basic service as water is clearly part of a community’s social security and citizenship, but the GEAR policy blocks the resources required to achieve this (Cock, 2000).

The study further maintains that effective service delivery is guided by a number of interdependent factors and that we cannot have government based outside the needs and interests of the people. Factors such as political will, financial and institutional issues, government policy, as well as the social and environmental factors potentially create a chain of networks within service delivery and related infrastructure development. These are maintained through accountability and transparency within a democratic state which should inevitably ensure their sustainability. It is imperative, therefore, that a holistic approach be taken to plan and implement effective measures if delivery of such an essential resource as water is to be equitably and affordably enhanced. Such planning and implementation must take into account the disparities in households’ income levels and financial status.

### 5.3. Discussion and Conclusion

Chapter two (2) of the Bill of Rights [Section 27(1)(b & c)] asserts that everyone has the right to access to sufficient food and water, social security including (if they are unable to support themselves and their dependants) appropriate social assistance. Section 27 (2) further stipulate that the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of each of these rights (The Constitution of the RSA, Act 108 of 1996).

Quite recently, the South African President, Thabo Mbeki, in his speech delivered in Mafikeng- North-West Province, on 11 March 2004, promised that people will get clean and free water and other necessities. Prior to the municipal elections, in particular, water was often used as a political tool to win the hearts and minds of community residents. Councillors, using Area Civics as their political instruments, helped in misleading residents into believing that water provision will be free of charge to all users (Maluleke 2004). Learning that water is still not free and with increasing fears that it will never be, many residents started losing their faith in civic organisations and local government. This is because the policies of privatisation treat ordinary citizens, in South Africa and elsewhere, as regular customers in the water business controlled by western corporations such as *Suez Lyonnaise des Eaux* (the French multinational company making profit from JW) in order to survive. Instead of meeting the national government's promises of providing free and affordable water service, water privatisation limits the accessibility and affordability of basic service needs such as water. The "water business" has resulted in the uneven concentration of resources within local communities.

The research report further supports the social and political foundation which forms the basis of citizenship rights. This form of landscape has long carved out into a binary framework with firm boundaries and epistemological closures between two mutually exclusive zones of 'public' versus 'private', the state versus the market, or what proponents term the 'great dichotomy' of modern political thought (Bobbio 1992, Somers 2001). According to CAWP (2004, 20) privatisation and "the anti-social logic of prepaid water meters is a major social, political and human right issue". Adequate access to clean and affordable water supply mirrors citizenship rights, life in dignity and respect and the moral social engineering to which the democratic government should be accountable. This is due to the fact that our democratic government has the resources within its operational framework to intervene sufficiently in ways that improve the quality of life of the poor. After all, a competent revenue service allows the

government to meet the requirements of the constitution in respect of the resources allocated for the delivery of public services (Trevor Manuel, Minister of Finance 2007). This will assist in eradicating tensions between the public and private institutions in the provision of basic services such as water and develop coherent democratic alternatives to be closely integrated with existing social groups, social movements and the broader political system.

**6.4. APPENDICES**

## 5.5. REFERENCES

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