

RESTRUCTURING, HUMAN RIGHTS AND WATER ACCESS TO VULNERABLE GROUPS

**Presentation by Lance Veotte, *South African Municipal Workers Union*
To the *International Conference on Fresh Water* Bonn, Germany 3-7 December 2001**

My name is Lance Veotte. I am the National Water Sector Co-ordinator for the South African Municipal Workers' Union, or SAMWU, which is the biggest local government union in South Africa. SAMWU is affiliated to COSATU and also to Public Services International, the international public sector federation of over 20 million workers in 150 countries.

SAMWU welcomes the link between water and human rights. Our departure point is that water is a basic human need therefore it should be a basic human right. In South Africa there is political recognition that as a basic human right, a free lifeline of water for purposes of health and hygiene should be given to all. SAMWU wishes this political recognition to be instituted all over the world.

The Problems

In the South African context, restructuring of state assets and municipal services has taken place under the auspices of the ANC government's macro-economic policy, GEAR - the Growth, Employment and Redistribution Plan. GEAR is a voluntary Structural Adjustment Programme. Drawn up by 11 consultants, many from the World Bank, the government unilaterally adopted GEAR five years ago, replacing the Reconstruction and Development Programme.

GEAR urges privatisation of basic services and full cost recovery for all services. The Guardians of GEAR, the Ministry of Finance, offer millions of rands in incentives to municipalities that privatise basic services, especially if they privatise to multinationals. Recently Johannesburg privatised its water to French Suez-Lyonnaise des Eaux, who put in a shamelessly low bid of no profit at all just to get the contract. For this privatisation, Johannesburg was given 5 million dollars - almost a quarter of the total amount allocated to all the municipalities in the country to provide services for one year!

GEAR is in direct conflict with the South African Constitution and Bill of Rights, which say that everyone should have the right to sufficient food and water and social assistance. The emphasis on cost recovery and privatisation has had a shocking effect on the working class and poor, especially over the past year as municipalities have been urged to implement GEAR austerity measures with greater discipline. So while the efforts from Government to extend water services is to be lauded, this is offset by the number of disconnections due to inability to pay.

The press has covered several marches by the community on the Council and Biwater offices since privatisation took place. Nelspruit residents told the press just over a week

ago that life under Biwater is worse than life under the former Bantustan government. While the government is claiming Biwater is a success in Nelspruit, the community dissatisfaction shows otherwise.

More importantly, the promised investment of \$30 million that was to be used to extend infrastructure to the poor did not materialise - instead a public bank is now lending Biwater over \$10million!

The restructuring of municipal services into private entities or utilities is preceded all over the world by drastic cost recovery measures designed to weed out those who cannot afford to pay and ensure that the privatising company gets to take over a profitable concern. In South Africa this is no different.

Across the country, vulnerable groups are now having their human rights violated because of restructuring of municipal services.

In Queenstown's townships of Mlungisi and Ezibhalene, where a Suez-Lyonnaise subsidiary has had control of the water services for a few years. They failed to fix the leaks in the existing water infrastructure and so an exorbitant amount of water loss is taking place on site. WSSA charges the municipality for all water - whether lost or used - and the council recovers the money from the communities through increased tariffs. The company earns completely risk free profit while the community remains in perpetual conflict with their local government which cuts off their water and evicts them when they can't pay higher and higher water bills.

The demand for free basic services grew after a massive cholera epidemic broke out last year in one of the country's poorest provinces, KwaZulu-Natal, after free communal standpipes were fitted with pre-paid meters and poor people were forced to drink from polluted rivers. This epidemic claimed the lives of almost 300 people and hospitalised over 100 000 more.

SAMWU members who work in health services went to the area for three months in an attempt to curb the epidemic. They reported that not even the clinics had water - clinics and schools must also pay or face disconnection. This is an extract from the report of the members "People are forced to use muddy water also used by cattle and goats. 93% of the rural schools here only get water from boreholes but 70% of these boreholes are out of service. Many schools run out of water regularly and have to resort to using dams, pools and rivers - Unsafe Water! Only three percent of the area has flush toilets! The remaining community members have pit latrines which were found to be not properly ventilated which attracts the breeding of flies and other insects. In any case, 90% of the toilets are not properly built."

The joint SAMWU-Rural organisations campaign for 50 litres free water per person per day, plus the cholera aftermath and the fight for water, decent housing and other basic services has spawned a variety of concerned residents movements which are now organising nationally. In an attempt to put a stop to this in the municipal elections last December, all major political parties promised an unsubstantial level of free services.

One year on, the free 25 litres of water per person per day - half the amount recommended by the World Health Organisation to maintain basic human health and hygiene, has not been fully implemented. Due to inadequate funding, citizens are being denied their basic human right to water. The number of cholera cases is growing in the country. Diarrhoea is also prevalent in many parts of South Africa.

Caroline Nongauza, an unemployed single mother of two from Tambo Square, Gugulethu in Cape Town wrote last week

"Visit Tambo Square squatter camp and see what other people are going through. I have been staying in this area for 13 years, but there is no improvement. There are about 4 taps of water providing the whole area. I have to walk 15 minutes from my shack to the tap. Imagine when I have to do the washing for my family or when I am not feeling well. We are still using the bucket system of toilets, which is disgusting. Our children are always sick as a result.

We are a community without electricity and no hope for houses. The crime rate is very high because the area is dark. Children are being raped every day because of the closely packed shack life, darkness and drunkenness of parents. Much of this is because of the trauma of living in the circumstances we are staying in."

My trade union, the South African Municipal Workers Union, has engaged with all levels of government around the current health and humanitarian crisis we find ourselves in because of the GEAR restructuring programme. Restructured into unemployment through GEAR's one million job losses, the poverty stricken South African majority can now no longer look forward to even running the risk of being raped or attacked on the long dark walk to the communal tap for the sake of a bucket of free water. Municipalities across the country have started installing pre-paid water meters.

The Solutions

No pre-paid water meters

SAMWU is against pre-paid water meters for the poor. The union views these as self-disconnection mechanisms. SAMWU has heard that these are banned in Britain. Pre-paid water meters also divide communities. The union's position is that instead of criminalising the poor, national government must immediately institute a national system of cross subsidisation, whereby the 98% who use the most water can logically subsidise water for the 2% who can never afford to pay.

Public initiatives not privatisation

The union has also set up three public initiatives to deliver water to the rural and peri-urban poor. In partnership with the non-profit waterboards, municipal water departments and the national department of water affairs and forestry, SAMWU has succeeded in setting up local systems of cross subsidisation which allow for levels of free water and cost savings to the municipality through fixing of water leaks.

No to cost-recovery as a means of intimidating the poor

SAMWU views cost-recovery as unnecessary and as nothing more than an act of intimidation against the poor. For example the Cape Town Unicity intends to disconnect the water of 67 000 households in the middle of summer, prompting what will surely be a massive health crisis, for arrears which can be as low as \$10 - \$20! These tiny water arrears, mainly built up by poor, unemployed single women parents are recovered by private law companies hired by the municipality which charge over \$100 in attorney charges, court fees, sheriff's fees and judgement costs in order to recover a fraction of that

amount. It is clear to the union that this defeats even the already flawed notion of cost-recovery.

No restructuring that does not transform

Restructuring has failed to do away with apartheid inequalities. For example, the working class residents of the Ngwelezane Township pay much more for water than the white middle and upper class area of Richards Bay, even though both are part of Empangeni municipality. Businesses in Empangeni pay \$16 service charge and 30c per thousand litres. Rural communities who were effected by the cholera have to pay a flat rate of \$2, which means that the rural poor is paying the highest price for water in the newly formed uMhlatuze municipality. Black people continue to subsidise whites.

Reverse privatisation

It is not only the illogical phenomenon of cost recovery that must stop, but privatisation must be reversed where it has taken place. This is already happening in the rural Nkonkobe Municipality where a Suez Lyonnaise subsidiary still has four years of its 10 year water contract to go. The municipality has decided to cancel the contract as it will save \$2million by doing this - a fortune for a rural municipality.

The case has gone to court but in the meantime, the municipality is withholding millions to the company in management fees on the grounds that the contract is not financially sustainable. The municipality says the high private management fees are an intolerably high burden on their budget and mean that they have no money left over to provide other service. The legal papers say that "The municipality has been obliged to contend with increasing public opposition to the contract - there is a significant amount of community antagonism to the contract. The municipality firmly believes that to continue the contract would be reckless in the extreme and would amount to an imprudent utilisation of available resources."

Water Services Act of 1998

Solutions can also be found in the Water Services Act of 1998, which stipulates that before any private provider can be brought in to deliver water, all known public alternatives must have been investigated and found to be incapable or unwilling. SAMWU attempted to use this law to wipe out apartheid inequalities. For example, in 1997 SAMWU fixed leaking pipes in Cape Town's townships that were allowed to decay by the apartheid government in line with their policy of providing black people with inferior services. Fixing leaks saves the municipality over \$1 million per year. Budgets of the former white and black local authorities still have not been combined and apportioned equitably despite the amalgamation. In Cape Town over 300 water workers serviced white areas while only nine serviced the black majority. With these inequalities continuing, a poor level of service will be delivered that will not be appreciated or sustainable.

Banks to loan money directly to local government

Local government is the developmental sphere of government in South Africa - according to our constitution. Yet very little support is given for the developmental part of local government from the fiscus. Instead budgets are cut every year. Municipalities find themselves unable to borrow money to extend infrastructure. In South Africa, the state has instead set up institutions such as the Municipal Infrastructure Investment Unit and the Development Bank of Southern Africa (DBSA). These, instead of capacitating municipalities to deliver services better, are hellbent on ensuring private sector

involvement in basic services delivery in water, sanitation and refuse removal. SAMWU believes that the DBSA should have lent the Nelspruit municipality \$10million directly rather than loaning it to Biwater where a cut is pure profit.

Include workers in service delivery planning

Workers are being excluded from participation in service delivery. Therefore workers are unable to make a contribution to best practices and improved methods of service delivery, even though they are the ones who deliver the services. Municipalities must stop ignoring workers' collective expertise.

The Way Forward

The World Summit on Sustainable Development is due to take place in Johannesburg in September 2002. 10 years on, the agreement by governments in Chapter 18 of Agenda 21 to provide all citizens with a minimum of 40 litres water per person per day still has to be implemented. The budgetary priorities in South Africa mitigate against this. In 1999/2000 the water budget was about \$100 million which was reduced to \$58 million last year. Yet our country has spent \$6 billion on weapons and \$5 billion on servicing the interest alone on the apartheid debt!

Currently, one child dies every 15 seconds from water related illnesses. Yet health benefits accrue when people have free water or when communities move from public taps to house connections or improved water systems. The improved health benefits should reduce state spending on health. For no other reason, we appeal to the stakeholders at this conference to introduce a minimum of 50 litres of water per person per day free of charge.