

Contradictions in municipal services in contemporary South Africa: Disciplinary commodification and self-disconnections

Abstract

In South Africa, the management of municipal services has been an ongoing dilemma for the new government because of what it terms 'a culture' of non-payment among users. As a result, prepayment has been widely implemented in electricity, telephone and, more recently, water services. Hailed as *the* solution to the non-payment problem, but also as a new social 'paradigm' for service delivery, prepayment has been made more palatable by the introduction of free basic water and electricity. This paper analyses the state's attempt to impose prepayment in order to regulate, manage and re-educate the poor in South Africa into a 'payment culture'. These social control processes, however, have been resisted; they provide a window on to the ambiguities of neo-liberal social development and the re-assertion of class power in South Africa through the engineering of a market-based disciplinary society. The paper concludes that the analysis of neo-liberal class power in South Africa needs to take account of the reciprocal dynamics of the state and popular responses. Prepaid service delivery has only to a limited extent relieved absolute poverty, but more generally has become linked to negative outcomes such as intermittent services and increased household stresses. The article draws on state documents, local municipal records and case studies of prepayment.

Key words: marketized welfare, municipal services, neo-liberal management, prepaid meters, self-disconnections

Introduction

Although formal apartheid in South Africa has been outlawed, blacks are still concentrated in racially homogeneous urban townships, and

growing informal settlements on the periphery of cities. With 61 per cent of the African population poor, compared to only 1 per cent of South Africa's 5 million whites; and with 30 per cent unemployed, service delivery plays a pivotal role in everyday survival. After a decade of democracy and national liberation, the country suffers extraordinary inequalities overlain with racial features. Although more Africans have access to basic infrastructure, twelve times more Africans still obtain their water from a public tap, borehole or a neighbour's tap than do other population groups (Statistics South Africa, 2006).

South Africa's 284 new municipalities have experienced severe difficulties managing services, especially in billing and collecting revenue. Twenty-three of the largest towns failed to collect 60 per cent of what they were owed by the end of 2005 and faced serious cash flow problems (*Business Day*, 9 June 2006). But punitive disconnections have not improved the level of payment. In this context, municipal authorities have rapidly shifted to prepayment services making it compulsory for indebted households and a precondition for receiving municipal benefits.

Local government experts and urban managers in South Africa have taken up prepayment metering (PPM) not only as a financial/cost recovery tool but also as a way to avoid political problems and as a way to re-educate users into 'taking ownership' of their consumption and thinking more like customers than like persons with entitlements. What lies behind the shift to prepayment? How does prepayment affect the poor? How do authorities and users mutually define the character of prepayment? How does prepayment reshape the dynamic relationship within and between households and with the state? It is important to note that since 2001, the state has introduced free basic services (6 kl (kilolitres) of water and 50 kWh (kilowatt hours) of electricity per month) to mitigate extreme forms of service deprivation, disconnections and growing political disenchantment. Free basic services have been combined with prepayment to produce the 'free-pay meter'.

Yet, while the ANC (African National Congress) government has pioneered free basic services, it has also paradoxically broken new ground in techniques of restricting the use of services by the poor and unemployed to the basic level. Lund offers a good example of this in her analysis of the child support grant (Lund, 2001: 234). Much administrative effort and statecraft has gone into devising

schemes (such as free-pay meters) for rewarding and controlling users so that they do not exceed their basic quota. Walker (1993: 145) describes the paradox or 'schizophrenia' of the state that shows compassion for the poor, yet spends more effort trying to control the use/abuse of welfare and claimants' behaviour. Free-pay meters form part of a new generation of 'smart' technologies in services, that include flow limiters; all this has made South Africa a 'pioneer' in pre-paid technology; it even exports its innovative forms of delivering services to the poor to other African countries and has become a global model (United Nations Development Programme, 2006). PPM illustrates the tensions between the caring state based on socio-economic rights (which is how the ANC portrays itself) and the social control functions of the neo-liberal state. These tensions play out dramatically in the urban services sector.

In this paper, we examine electricity, telephone and water prepayment in South Africa probing the appeal, motivations, rationales and contradictions in this form of service delivery. We look at the technology's social, pedagogic and political effects and how communities have responded to prepayment devices. This paper draws on key state documents (new laws, regulations, and guidelines for service and financial reports) as well as technical documents, surveys and specialist texts by local government officials, consultants and experts. The paper reflects on the complex form, function and nature of welfare emerging in South Africa. It engages critical scholarship in the field of social policy (Dean, 1991; Sturdy, 2001) as well as critiques of neo-liberal development and poverty alleviation (see Escobar, 1995; Ferguson, 1990; Gupta, 2001).

South Africa's service delivery debates

The post-1994 democratic South Africa massively raised expectations of a 'better life for all' (the ANC's popular slogan). But neo-liberal policies (cost recovery, decentralization of responsibilities for financing delivery to local government and cutbacks in intergovernmental grants) adopted around 1996 derailed social reform (Bond, 2002; Lund, 2001) at least until 2000. Since 2001, however, fiscal constraints have been loosened and a skeletal welfare system has emerged.

Mainstream scholars argue that the South African state has been fundamentally 'developmental' – a view supported by recent pro-poor

shifts in the national budget allocation, even while many admit that inequalities have deepened since 1995 (Bhorat and Kanvur, 2006). State spending on the social wage (including urban services) has increased significantly. As the Minister of Water in South Africa put it; 'providing access to basic clean water supply is a direct attack on poverty' (*Business Day*, 22 August 2000). Access to water and electricity has indeed relieved extreme poverty (Leibrandt and Poswa, 2006: 113). As the ANC reluctantly slid towards residual welfarism (Lund, 2001), more consistent neo-liberals have suggested that this process was becoming uncontrollable since demands would escalate. John Kane Berman, for example, argued that people should get jobs before they get services. People should not 'be provided with services they cannot afford, or which they can no longer afford' (*Business Day*, 2 December 2003). Lawrence Schlemmer warned of 'too hasty' service delivery running ahead of the state's administrative and managerial capacities and a 'lack of ability in local authorities to administer complex credit controls, to apply valid tests of indigence, and to install the required technology' (*Business Day*, 5 March 2005).

In 2004, President Mbeki echoed these mainstream neo-liberal concerns in a comment on the government's 'revolutionary' budget:

During the Second Decade of Liberation, we should not cultivate a culture of dehumanizing dependency of these masses through increasing welfare. We should increase the number of people in society who depend for their livelihood, not on social grants, but on normal participation in the economy. (*ANC Today*, 20–26 February 2004)

On the other hand, the Left in South Africa has focused on the paucity of state concessions, the privatization and commercialization of services as well as the lived realities of services, showing that poverty is to a large extent being perpetuated despite free basic services. The Left believes the state has merely 'tweaked' neo-liberalism and continues to prioritize repressive forms of cost recovery (Bond, 2002; McDonald and Pape, 2002). Not sufficiently recognized is that concessions in urban services, in part, are clearly being used by the state and local bureaucrats to promote a commodifying 'civilizing' mission: teaching the poor a modern commercial form of rationality in the age of information technology. As the Department of Water Affairs and Forestry put it:

The adoption of free basic water policy has not negated . . . the principle of user pays. On the contrary, the free basic water policy strengthens the principle in that it clearly requires consumption in excess of the free water supply service to be paid for . . . (DWAf, 2003: 29)

Welfare regimes often require, implicitly perhaps, a 'submissive recognition' by claimants of the superior morality of the capitalist order which created these needs (see Desai, 2002; Offe, 1983: 154–6). The welfare dispensed by the state becomes an 'exchange transaction' that harms the politico-ideology and dignity of claimants. Prepayment with free basic services may be seen as a sophisticated form of asserting class power when compared to blunt disconnections. This technology, often imposed without negotiation with users or careful thinking through the potential effects on the poor, is posited as empowering. Technology such as prepayment is a 'socio-technical ensemble . . . that shapes the construction and enrolment of water customers' (Marvin and Guy, 1997: 120).

As Jacklyn Cock, who takes a wider lens of South Africa, critically suggests:

What has received far less attention is the privatisation of social relations as people retreat from public engagement in pursuit of individualist goals. Neoliberalism involves the unravelling of the social bonds and solidarity that marked the anti-apartheid struggle. The implication is that the meaning of citizenship has been emptied of much of its contents. [This is] a global process . . . privatisation of social life has created high levels of anxiety, insecurity and [there is] a growing gap between the discourse of rights and the reality of unmet needs that is at the base of the social crisis. (*Business Day*, 17 October 2005)

While this view captures much of the neo-liberalization logic and process in South Africa, it fails to look at the contradictions of neo-liberalism: specifically the various ways in which working class people have collectively resisted the logic of neo-liberalism (using open resistance and less overt weapons of the weak). The state in fact has been *forced* to make concessions such as free basic water to make its broader neo-liberal programme palatable. Within the ranks of the ANC alliance, major splits and disaffection have crystallized around the succession struggles, reflecting tensions in the neo-liberalism

project (see *Business Day*, 31 November 2005; *Mail and Guardian*, 19 September 2006).

Projecting power through services (Ferguson, 1990) and through neo-liberal development has often been accorded far more coherence and success than is warranted. This is a general problem in the 'governmentality' literature (see Clarke and Newman, 1997; Dean, 1991) which focuses on the logic of the neo-liberal project rather than the process and struggles around such processes. As Jessop argues, neo-liberalism, as a political project, is not assured of success from the outset: it has had to fight for its own successes (2002: 467).

Origins of PPM in electrification

Prepaid electricity meters, although very widely used in South Africa, have been installed in a number of other countries, including Brazil, Rwanda, Congo, Namibia, the Ivory Coast, and France.¹ About 40 countries worldwide have prepayment systems for electricity (Behringer, 2003). In the mid-1990s prepaid metering (PPM) was promoted in Africa by the World Bank. As a World Bank report on a Tanzania PPM project argues:

The customer has more control over electricity use and can buy electricity in the desired quantities. . . . The customer no longer has to worry about the accuracy of the bill. Also, time-consuming and often fruitless interaction with the utility company over inaccurate bills is avoided. (cited in *Metering International*, 2000, No. 2: 20)

PPM gained rapid support inside the South African state because mass disconnections became too visible and politically inexpedient. Ten million persons (or 25 per cent of the population) experienced electricity and water disconnections for non-payment over seven years from 1994 to 2001 (McDonald and Pape, 2002; *New York Times*, 29 May 2003). These widespread cut-offs were an instrument of blunt neo-liberalism, if not outright repression, but they failed to persuade indebted households to pay; they provoked communities, they produced a cholera epidemic and were a political embarrassment to the state (McDonald and Pape, 2002; Ruiters, 2002).

The 'ultimate debt-proof solution' to non-payment, and a putative politico-cultural paradigm for consumption of public services in the new South Africa (*Water Sewage and Effluent*, 2004: 19), PPM has been dubbed 'the way of the future' (Institute of Municipal Engineers, 2000: 31) because it no longer repressively confronts township residents: prepayment conveniently allows users to silently and privately self-disconnect. As in England:

The direct effect of prepayment has been to remove the public visibility and awareness of disconnections . . . and to 'privatise' that decision within the lives of the poorest households. . . . prepayment systems allow companies to escape the public opprobrium which disconnection brings. (Drakeford, 1998: 595)

But, in many instances, middle class residents have clamoured for prepaid meters, especially in cities like Johannesburg where billing chaos in the municipality was so bad that thousands of mistaken disconnections happened. As a resident put it, 'Prepaid is definitely the only way to go. Not only will we not have to put up with City Power's inefficient system any longer, but we will all do our part in conserving energy' (*The Midrand Reporter*, 20 February 2004). Prepayment in this instance became a way of avoiding an incompetent state. There has been debate about whether prepayment is morally less acceptable for water (an essential) but different for less essential or substitutable services like telephones, for example, for which a cellular phone may be a substitute.

The early motivations for PPM came from the Electricity Supply Commission (Eskom) which spearheaded a massive electrification programme in black townships and rural areas after 1994. PPM was introduced in the mid-1990s by Eskom which argued that blacks had the 'wrong social attitudes' for credit meters and prepayment would be a win-win. In South Africa, the 'installation of prepaid meters took place with amazing speed' (Tewari and Shah, 2003: 920) and some would say success after 1998. Six years after apartheid's formal demise, the state had installed 3.2 million prepaid electricity meters – almost half South Africa's electrified homes (Tewari and Shah, 2003). Eskom had put 2.6 million of its black and working class 'customers' on to prepaid electricity. A Senior Manager, McGibbon (2001), explained:

Eskom had a difficult time managing the conventional meters. Eskom used to hire workers . . . to read meters and disconnect electricity. This entailed ensuring the transportation from house to house and the protection of its employees in the event of conflict with customers. The conventional metering, in the absence of *proper social attitudes* to electricity, became a system demanding very high maintenance. Prepaid metering reduced this cost tremendously. (emphasis added)

Although the target population was clearly residents in the black townships, historic centre of popular resistance in the 1980s, the PPM has since been used beyond black townships. For example, in Cape Town, 73 per cent of the residential customers (380,000) had a prepayment meter installed in their home by 2003 (*ESI Africa*, 2004).² From early 2004, all new domestic customers in Cape Town have a self-disconnecting meter. South Africa's prepaid meter manufacturers (with black empowerment links) have argued that they are already an irreversible 'fact of life' in South Africa and other parts of Africa to which they export PPM (*ESI Africa*, 2004). The 'choice' of the sovereign customer is clearly fictitious.

Partly to soften the blow of self-disconnections and restore government's popularity, in 2001 a decision at Cabinet level was taken to provide free basic electricity (FBE). It would 'enhance the well being of the poor' and assist 'women and female children who are mainly responsible for carrying firewood' and 'will also have positive impacts on the health and safety of the communities' (Department of Minerals and Energy, 2003: 4). Government paternalistically believed 'an amount of 50 kWh per month was sufficient energy to provide basic services for a poor household . . . suitable for basic lighting, TV and radio, basic ironing and basic cooking'. The inadequacy of this amount (valued at R20 (20 rand)) is shown in the following example: a hotplate used for 1 hour per day for 25 days would use 25 kWh (half the allocation) while a small fridge would use 50 kWh (the entire free allocation). But, to access FBE consumers would have to agree to a 10-amp supply, which would severely limit usage and cause repeated tripping. This, the state has called a 'self-targeting approach' which relies on households coming forward to submit themselves to restrictions much like how self-imposed structural adjustment might work. Consumers not willing to be connected to these restricted facilities should pay normal electricity tariffs. For prepaid meters a household will be provided with a non-interchangeable token (valid for one

month and non-cumulative) loaded with free basic units per month. When the free units have been used up, the consumer will need to buy additional units at the prevailing approved rates (Department of Minerals and Energy, 2003).

Prepaid fixed-line telephones and prepaid water

Telephones are regarded in neo-liberal discourse as essential to 'bridge the information divide', to launch the poor on to the information highway, to reduce the marginality of rural households, to allow the poor to find jobs and to access services, especially in emergencies. Telkom's shift to prepayment started in 2001 after large-scale disconnections of households on conventional credit lines. Like prepaid electricity, prepaid phones are usually also marketed as a sensible 'lifestyle' choice for those on 'tight budgets' except that Telkom does not offer free basic units with its prepayment line. The PPM, argues Telkom, teaches the poor to acquire the 'correct' social attitudes by learning how to control access to a phone and what it means to budget (Telkom, 2002). Telkom's annual report noted:

In the past two years Telkom's 2,09-million disconnections have outnumbered its 1,97-million new connections, resulting in net line shrinkage. To control our bad debts, we implemented a more rapid disconnection policy for non-payment; [we] implemented usage limits based . . . and continued to promote our prepaid fixed-line services. (*Business Day*, 2 July 2004)

Remarkably, Telkom, with *fewer* 'customers' said it was only rolling out its network 'where it [was] economical' (*Business Day*, 2 July 2004). Meanwhile, Telkom, also the *first* company in the world to provide a *prepaid* fixed-line service, grew its prepaid customers from 380,950 to 479,930 in one year from 2000 to 2001. No credit checks are done on prepaid customers, risks are less, and the defaulters do not have to be disconnected (see upetd.up.ac.za/thesis/available/etd-05102002-141643/unrestricted/06chapter6.pdf).

Like the ANC-linked firm, Conlog, that mass produces prepaid meters, so in telephones, a black empowerment company (linked to an American company) Makhulu Consolidated Holdings, was awarded

the contract to roll out prepaid fixed lines. Telkom said euphemistically that 'prepaid services will mainly be marketed to those with a tight budget' (*IT Web News Services*, 22 June 1999).

In the water sector, prepaid meters for urban households started in earnest only in 2003; in rural areas with standpipes they had been in use since 1996. By 2002, two-thirds of municipalities indicated they would adopt prepaid water technologies for those with indoor taps within the next three years (*Water Sewage and Effluent*, 2004: 19). The PPM is programmed to provide 6000 litres free per month per registered connection. Only after using 6 kl, do 'customers' have to start prepaying. The Minister of Water Affairs and Forestry, Ronnie Kasrils, has called prepaid water meters 'an example of how South Africa is harnessing home grown technology for development' (*New York Times*, 5 June 2003).

Prepaid water needs to be seen in the context that since 2001 in the municipal services sector, most councils have indigent lists which segregate citizens into those who are in the market (the can pay) and those who live at the mercy of the state (the can't pay). In many municipalities prepayment is 'targeted' at the poor (the can't pay) and is a condition for getting indigent status which in turn allows access to free basic services and free garbage collection. Illegal connections and meter tampering would disqualify the household, and failure to pay on the part of a household could result in a user's supply being restricted to 6 kl or a prepaid meter being installed. PPM, it is argued, can help households avoid getting into debt. The 'indigent' as the state now labels the poor, get a limited amount of free services, and a substandard service, but in return must agree to PPM or some kind of restricted service.

We briefly consider the example of Johannesburg. Johannesburg Water, managed by Suez, which serves over 3 million people, began a major campaign to install prepaid water in over 160,000 Soweto homes and in sections of Orange Farm (these are black townships south of Johannesburg). Called the Gcin'amanzi Project, which means save water project,³ prepaid water meters are part of a quid pro quo for arrears write-offs and improved infrastructure but they are also advertised as a means to give residents their free 6000 litres of basic water (*The Star*, 2 May 2003).⁴

The Johannesburg prepaid water project saw the problem (of water management) as 'the effects of a much bigger problem of oversupply

and a *lack of ownership* of water consumption by residents' (www.joburg-archive.co.za/city_vision/annualreport2002-03/chapter14.pdf, emphasis added) who were paying flat rates and whose consumption was unmetered. Since 2004 Johannesburg Water (JW) has claimed that the 'project has a holistic approach, involving technical and *social interventions*' (www.joburg-archive.co.za/vrc/innovation_publication.pdf, emphasis added) and that the Soweto experiment has been a success. 'Sales statistics indicate that on average 64% of customers are using more than 6 kl per month, and are therefore making purchases of about R23 (US\$4) per month for water' (*Metering International*, 2005, No. 1). Prior to PPM residents used a deemed amount of about 25 kl of water per month. But, as the General Secretary of the South African Municipal Workers Union wrote:

JW tells the impoverished people of Soweto that pre-payment meters allow them to exercise choice over how much they spend on water. And if all this is not enough, JW has the gall to imply that pre-payment meters are an absolute must, if the residents of Soweto want to solve the serious problem of water leakages. Contrary to what JW invites us to swallow, pre-payment water meters represent an individual disaster for most of the people of Soweto. The meters also constitute a public health hazard. (*Mail and Guardian*, 12 September 2003)

Despite initial community resistance, in Phiri (Soweto) by 2005 only ten families had maintained their refusal of prepaid meters. One refusing household that chose the standpipe option reported; 'Now people come to her to get water when their meter is shut off or broken. People with prepaid [meters] are suffering again . . . it causes tension in the family' (www.afsc.org/trade-matters/issues/water-rights-threatned.html).

A Limpopo municipality also announced in 2005 that they had 'commenced with . . . a programme called "Operation Save Water":

. . . we are installing prepaid meters to all the residents and businesses. We are proud to mention that when we started with the prepaid meters, most people were against it and now, where we have completed our installations, people are using water sparingly and most people are flocking to our offices to get prepaid meters. (Mayor of Thulamela Municipality, 2005)

The municipal authority installed prepaid meters at a cost of R5 million with another R5.4 million planned for more meters in townships. 'Such installation of prepaid meters will bring with it, savings of water . . . and sustainability of service as money received in the sale of water will be ploughed back to the community by purchasing and installing more prepaid meters' (Mayor of Thulamela Municipality, 2005).

In Cape Town, the ANC mayor opposed the prepaid water meter although she accepted prepaid electricity. In her view, 'operational problems encountered in the prepaid water meter pilot project' and the fact that 'access to water is a critical right for our people' persuaded her to the position that 'no measures which will have a negative social impact on our communities will be implemented as long as I am mayor' (*Cape Argus*, 31 August 2005).

Administrative and governance logics versus the contradictions of prepayment

PPM has been packaged by the local state and industry professionals as a user-friendly and empowering technology. Users can also avoid wasting time in disputes over bills with the council – usually deemed to be inherently incompetent by consultants, and even by the higher levels of the state. The assumed advantages of PPM for the municipality are: no meter readers are required; no need to access the customer's property and endanger meter readers; no postage costs; upfront payment improves municipal cash flow; other debts can be deducted from prepaid users; no disconnection and reconnection hassles; less scope for complaints about inaccurate billing; the customer learns to economize; the customer learns to manage his/her budget and is empowered (Tewari and Shah, 2003: 920).⁵

Upfront payment allows the state to gain from shortening the realization time of profits from the sale of municipal services. The state and the prepaid industry have invested in consumer education to teach users that PPM can empower them. The state also has a nationwide television campaign against anti-social crimes such as tampering and illegal reconnections.

Changing the 'political opportunity' structure for protest is an implicit aspect of PPM. Once PPM is installed, residents cannot withhold payment. Payment boycotts, used before to leverage concessions,

are by definition ruled out. Tewari and Shah (2003: 920) point out that, 'the social unwillingness to use prepaid electricity [among the poor] primarily stems from the political power a society enjoys which gets translated in to rent-earning activity'.

Introducing new forms of services therefore has multiple rationalities and is not only about administrative convenience, and cost recovery: the pedagogic state⁶ also hopes in the long term to foster a business and 'payment culture' among 'customers' replacing outdated cultures of militant politics that thrived under apartheid.⁷ Remote, depoliticized, and impersonal, prepaid meters displace the poverty 'problem' from the state to the individual household. And adapted as a micro neo-liberal technology of statecraft, it *attempts* to render social austerity invisible.

But far from producing political closure, invisibility and depoliticized submission, residents on PPM may contest the amount of free services, the prepaid tariffs and related issues such as the accessibility of vendors. Residents have also collectively ripped out prepaid meters or collectively organized to bypass them (APF, 2006; Egan and Wafer, 2006: 54). As one resident cynically put it; 'with prepaid meters people won't owe anything to the company, it's true, but they won't have water either' (Jabu Molobela, a member of Phiri Concerned Residents).

From the poor household's viewpoint the PPM may have several different outcomes. Prepayment may materially affect daily routines, household internal dynamics and social practices between households. Different households may be affected in different ways depending on income, size of household and other factors such as health, age and gender and how households relate to neighbours.

PPM especially offloads responsibilities on to poor women who among other stressful chores have to buy prepaid units, juggle budgets and budget the usage of services in households (APF Research Committee, 2005, 2006; Marvin and Guy, 1997; Public Citizen, 2004: 23). Prepayment has the potential to impose a harsh form of self-policed austerity in consumption, a task that often falls on women. Turning tap water into a prepaid commodity compels poor residents not only to economize falsely, but also to revert to unsafe sources. Case studies (Deedat and Cottle, 2002) show that in rural and peri-urban areas households revert to polluted rivers, leading to cholera. Evidence shows that, 'in some areas [of Pretoria and its surrounds], where prepayment meters have been installed, payment levels are high

but water consumption is very low as residents utilize other available water sources [such as groundwater]' (Department of Water Affairs and Forestry, 2001: 4). The same applies to prepaid electricity: households resort to traditional energy sources (paraffin and coal stoves) when prepaid units are used up, and face all the attendant dangers of using unsafe energy. Consuming less of a safe service is false economy.

Survey research by the Anti-Privatization Forum (2005: 13–14) shows that 80 per cent of poor households on prepaid *electricity* in Phiri (Soweto) experience interrupted service at least once per month because they run out of electricity. The movement has since launched a constitutional court case to get the water PPM banned in South Africa (*Mail and Guardian*, 24 July 2006). A study of Orange Farm (Public Citizen, 2004) shows that half these households went without prepaid water for days because they could not afford to buy more units. Effectively these households suffered periodic deprivation of the right to water. For a few days they enjoy water as a right, but soon find themselves without it once they are inside the commodity circuit of water. The use of prepaid meters means the poor have to reschedule day-to-day activities and make invidious choices according to when they think they may run out of a service. Abandoning survivalist food gardens (a good example of 'entrepreneurialism') has also been reported in Orange Farm (Public Citizen, 2004: 19). Prepayment may therefore be seen as 'disciplinary commodification' because the poor and working class in the third world have to take more responsibility and be more adept at managing, economizing and exercising self-discipline than other classes.

Research in Northern Cape and Durban (Deedat and Cottle, 2002; Loftus, 2005) showed that local solidarities and neighbourhood cultures may be strained since neighbours steal water from each other leading to special fortifications to protect the water-commodity. Half the households in Phiri reported squabbles and fighting inside the home when electricity ran out and 47 per cent of residents on prepaid water in Orange Farm had asked neighbours for water (APF, 2005). Funerals and ceremonial events attended by large township crowds may also be affected by 6 kl restricted water (Loftus, 2005).

Another material reality is that the state also appropriates time from households (often female-headed) by offloading the costs of the transport and the time incurred in buying prepaid units from the municipality or vendors. Anneck's (2005) research on Khayelitsha near Cape Town showed that:

Customers have to walk far in fair or foul weather, they run the risk of being mugged, they have to stand in long queues and when it is their turn, either the machine goes down or the vendor goes off duty. In either case, they cannot buy electricity and the household reverts to some other energy service.

Prepaid meters reduce the poor's access: the average consumption in Phiri has dropped from 20–25 kl to 11 kl per month (*Metering International*, 2005, No. 1) but many households are using only the free amount of 6 kl. This state-enforced, monetized survivalism is unfortunately mistaken as successful water conservation. The 11 kl is *half* what a working class township household would normally use (Department of Finance, 2003) and about one-fifth of what wealthy households consume.

Yet, at the same time as shifting responsibility on to the household (neo-liberal 'responsibilization'), by allowing households a basic free supply, the state is also re-linking citizens with itself and assuming a degree of responsibility. The 'Polanyian' double movement of commodification and de-commodification may be seen here. The state has the imperative of governing over the 'unruly poor'. This is made partly possible by concessions like free basic services that lend the state an entry point, a moral high-ground and legitimacy to stabilize the system, while demanding some level of reciprocity from its subjects.

Resistance to the rules of commodification is a vital aspect of any analysis. Many residents bypass prepaid meters, but live in fear of being caught (APF, 2006; Egan and Wafer, 2006). As sceptics argued, 'prepayment technology has reduced, not necessarily solved the problem of pilferage; revenue losses from pilferage are still high' (*Business Day*, 23 March 2001). Incensed Soweto residents have continually ripped out electricity prepaid meters and dumped them at local council or Eskom offices (Laurence, 2002; *The Star*, 14 March 2003). The problem has resulted in municipalities losing millions in revenue because of leaks from illegal connections and 'unaccounted-for' water. Durban, once a model of water management faces major water losses (R30 million in one township, Umlazi, and 30 per cent overall) from illegal connections (see *Municipality News*, 25 January 2006 and 9 November 2005; www.durban.gov.za/municipality).

From a broader political standpoint it is not at all clear that the state's pedagogic objectives – to depoliticize and reduce political

dissent over services – are easily achieved (also see Sturdy, 2001). Large-scale illegal reconnections (a form of active, transgressive consumerism, which disregards private property norms) have continued, often as part of social movements' repertoires of action (Egan and Wafer, 2006: 54). According to the *Sunday Times* (19 May 2002), over 19,000 Johannesburg households (excluding Soweto) had illegally reconnected power within a five-month period after being disconnected.

Onerous forms of self-managed services (associated with PPM) may deplete a sense of political obligation to the state among disenchanted and struggling citizens. With a sense of citizenship eviscerated (Taylor-Gooby, 2000) by exclusionary commodification, citizens tend to 'disengage' from the state consequently normalizing popular illegalities and crime. In some areas, as already noted, residents have adopted the slogan 'Smash the meter, enjoy the water' (*Sunday Independent*, 8 June 2003). A recent government study confirms a trend towards the pervasive illegality:

[Both] . . . rich and poor are impelled by the demands of an individualistic system to operate . . . beyond the margins of legality – be it with regard to finding ways to minimise tax payments, avoiding paying rates and licences and succumbing to the temptation to 'make it' by fair means or foul. (Policy Co-ordination and Advisory Services, 2006: 89)

A recent national survey of municipalities revealed that municipal managers overstate the extent of community support for PPM and 'there is a tendency by water services providers to assume that technology will solve problems which are in fact social ones' (Water Research Commission, 2003: 14). Free-pay metering is less likely to work among the poor, under conditions of severe financial stress since residents will buy only small amounts of prepaid services (for example R10 or about \$2 a time) and then be frustrated by frequently running out of the service.

The wider challenge of PPM is that it may add to 'urban disintegration' for poor residents for whom the urban crisis is about HIV/AIDS, insecurity and worsening health. Utility tariffs (and prepaid tariffs) have increased above the rate of inflation (*The Star*, 14 April 2003) and free basic services are too miserly. Life expectancy of black males fell from 59.5 to 46.7 years (Tomlinson 2003: 75–82) but in 2006

to 35 years. Tomlinson notes that 'spatial separation is being accentuated by government policies for housing and services' (2003: 78). New infrastructure has been rolled out by the new state, but the onerous conditions attached to it have led to violent outbursts of anger among working class consumers.

The rising social opposition – especially the more organized – uses the languages of human rights, anti-privatization, dignity, equality and social justice. Transcending languages of social solidarity and public accountability constitutes a new political opposition to the left of the ANC (Cronin, 2006; Desai, 2002). However, it is not hard to imagine a future where opposition could also easily take the route of the familiar mass revolts of the 1980s. In late 2004 and 2005, this prospect emerged: the Free State's Harrismith and Phomolong townships ignited a country-wide uprising that saw burning barricades, thousands of youth blocking main roads, all reminiscent of the 1980s (*Mail and Guardian*, 23 August 2005). Among various complaints of demonstrators were: nepotism, failure to deliver free services, failure to build proper quality houses, and failure to respond to complaints. Residents in some cases demanded the immediate resignation of mayors and councillors. These scenes were repeated across the country with government estimates saying that over 880 riots (at least two riots a day) took place in 2004–5.

Conclusion

The prepaid system in telephones, electricity and increasingly water has clearly become a state 'civilizing' tool for the marketized political 'management' of the ungovernable poor. Prepayment simplifies and may reduce the administrative and political burdens of the state. But we have suggested that it has not helped to tackle social inequality; it adds to the complexities of daily survival among the poor and has created new resistances that largely take the form of removing or bypassing the meter. For women PPM is an especially onerous load and a form of punishment rather than empowerment. PPM undermines trust and a sense of commitment to the state from citizens.

More generally, this paper has shown that far from being neutral, policy in South Africa has been driven by the goal of achieving a market-based disciplinary society. Decisions about how to deploy and calibrate new technologies of service delivery may be seen in this

context. The PPM forms part of an ever-tightening noose of class power over the poor, but a noose that the poor sometimes escape by changing the rules through illegally accessing services.

The softer version of neo-liberalism, exemplified in 'free-pay' services has not solved matters since the free portion is only free if residents self-limit consumption to the subsistence amount. In the case of water this means that a family cannot exceed 6 kl (the free monthly portion) or they face punitive charges or must self-disconnect.

In South Africa, we see that neo-liberalism in municipal services has been contradictory, combining a basic entitlement with a commodified service. Facing significant resistance to neo-liberalism, the state has had to be strategic. Arguably not the 'organic' ideology of the mass of ANC members or many leaders, neo-liberalism has been massaged to be compatible with the ideology of both South Africa's liberals and radical nationalists. It is often forgotten that neo-liberal austerity is less a political choice of the state, or a grand plan, than a necessity reflecting a crisis condition (see Meszaros, 1995). This may explain why many ideologically different parties in different parts of the world end up as *de facto* if not reluctant neo-liberals. As it has unfolded in practice in South Africa, neo-liberalism was hybridized to fit uneasily into national liberation discourse and notions of *basic* needs and rights. It sought a popular resonance by re-claiming the market as a sphere of non-discrimination and abstract equal treatment set against the racial discrimination of the past. But the political failure of 'free-pay' service delivery is already evident in township service delivery rebellions. No doubt, these developments will sharpen the urgency of debate on basic urban services, social justice and democracy in neo-liberalizing states.

Notes

- 1 Brazil's state-owned waterworks company in 2001 began installing pre-paid water meters in Palmas. 'Customers will be able to buy the prepaid cards at a number of points across the city. The plan is part of the company's drive to reduce its costs. In certain parts of Palmas average consumption fell by 38% while the average bill fell 56%. The plan is to raise the public's consciousness regarding water's value and its scarcity' (BNamericas.com, 18 July 2001).

- 2 South Africa manufactures prepaid systems through companies such as ABB, Syntell and Conlog (a subsidiary of French company Schneider). The ANC welcomed this new industry which involved its 'ex-comrades'. In 2001 Conlog, besides being the main supplier to Eskom, won a contract to export 300,000 prepaid electricity meters for use in Khartoum, Sudan, and since then it has been used as a model for similar projects in Nigeria, Egypt and Saudi Arabia (see www.conlog.co.za). In 2002, Conlog was renamed Dynamic Cables. Dynamic is a wholesale distributor of exclusive telecommunications infrastructure and cabling, acquired from Alcatel in France.
- 3 Operation Gcin'amanzi, will see R450 million spent over five years in upgrading the water reticulation network in Soweto. An important element of Operation Gcin'amanzi was the installation of prepaid meters in every household, 'to enable consumers to plan and budget their water usage. . . . anyone who vandalises the infrastructure will be arrested' (www.jobergwater.org.za).
- 4 Johannesburg Water claims that their door to door survey shows that 90% of residents in Phiri, Soweto support PPM (Jameel Chand, 10 March 2004, www.joburg.org.za/2004/march/mar4_water.stm). The social movements claim this is coerced consent. Residents were told that if they do not accept PPM, they would only have access to a yard tap. APF research showed that 90% of residents feared the PPM, worrying about what they would do when the money runs out.
- 5 In 2003, popular trust in political institutions remained at relatively low levels. Just over one third trusted the President (37 per cent), a quarter trusted local government (24 per cent) (Mattes et al., 2003).
- 6 Gramsci's idea that 'every relationship of hegemony is necessarily an educational relationship' yet is always contested (1986: 350).
- 7 See Silva (2004: 63) for similar arguments about Chile: 'Since the late 1970s the marketization of Chilean society and its increased consumerist orientation have weakened even further the readiness and interest among Chilean citizens to participate actively in party politics'.

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□ Greg Ruiters is Matthew Goniwe Chair in Development and Society at the Institute of Social and Economic Research at Rhodes University in South Africa. He is co-editor of *The Age of Commodity: Water Privatisation in Southern Africa* (2005, London: Earthscan). Recent papers include: 'Social Control and Social Welfare under Neoliberalism in South Africa: Contradictions in Free Basic Water' in M. Murray and G. Meyers (eds) *Cities in Contemporary Africa* (2006, New York: Palgrave Macmillan); 'The Public/Private Conundrum of Urban Water Politics: A View from South Africa' in N. Heynen and E. Swyndedouw (eds) *In the Nature of Cities: Urban Political Ecology* (2005, New York: Routledge). Address: Institute of Social and Economic Research, Rhodes University, Grahamstown, 6140, South Africa. email: g.ruiters@ru.ac.za □