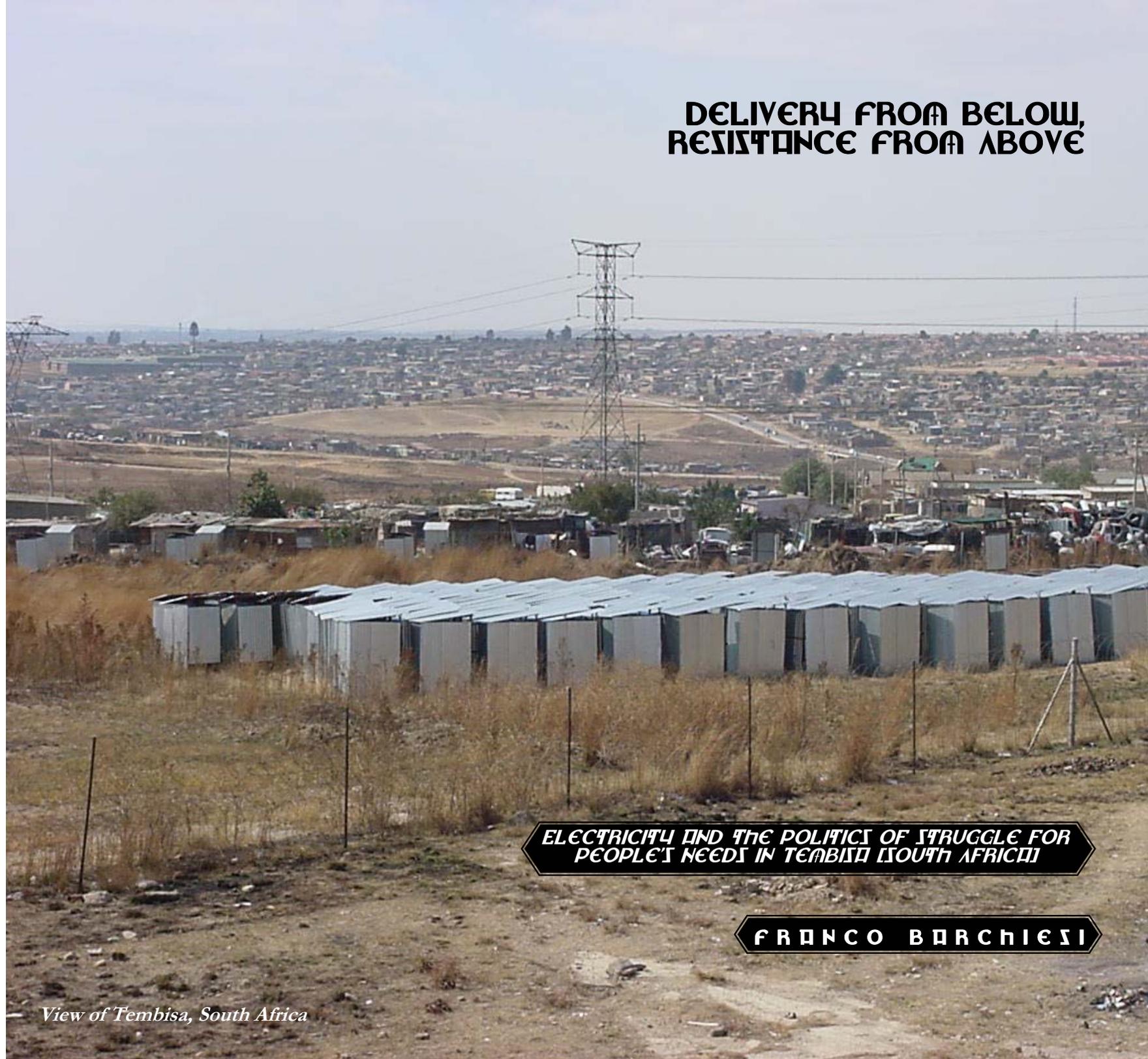


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# FIRESTARTER



**DELIVERY FROM BELOW,  
RESISTANCE FROM ABOVE**

**ELECTRICITY AND THE POLITICS OF STRUGGLE FOR  
PEOPLE'S NEEDS IN TEMBISA [SOUTH AFRICA]**

**FRANCO BARCHIESI**

*View of Tembisa, South Africa*

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Findings for this article are based on interviews conducted with residents in Hospital View, Tembisa, during November 1997, and on information provided by Ali Tleane, former chair of the SANCO (South African National Civic Organisation) Tembisa branch and current General Secretary of SANCO Gauteng region.

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# NOTES

- <sup>1</sup> Still today, 80% of the local government's direct transfers goes to the white suburb of Kempton park. This includes funding for projects such as golf courses, free-ways, shopping malls and office parks, while only 20% goes to the much more populated Tembisa (Infrastructure Research Team, 1997: 23).
- <sup>2</sup> Notice by the Finance Department, Kempton Park/Tembisa Metropolitan Substructure, 01.09.1995.
- <sup>3</sup> A good critical analysis of a pure cost-recovery orientation, with the advocacy as an alternative of cross subsidization of services and the introduction of "block tariffs," is to be found in Infrastructure Research Team (1997).
- <sup>4</sup> This becomes all the more apparent if one considers current widespread trends, to which Tembisa is no exception, of decreasing municipal tax revenues from corporations in order to make cities attractive sites of investment.
- <sup>5</sup> SANCO estimated that the new meters charged 30 cents per kilowatt compared to 20 cents for standard meters (Infrastructure Research Team, 1997: 22).
- <sup>6</sup> An ANC press release in those days defined these actions, and the practice of reconnecting electricity, as "opportunist," "counter-revolutionary" and aimed at spreading "confusion."
- <sup>7</sup> See Davis (1996). The extreme fragmentation of the distribution system is in itself a reason for rising prices in many communities. In fact, investment expenditures and very high operating costs can be covered by distributors in areas with limited economies of scale only by applying higher rates.
- <sup>8</sup> From figures dating middle 1996, Eskom had accumulated R440m in rates due by local authorities in the Northeast Rand and the Springs area. The total amount due by local authorities to Eskom was R1.2bn, equal to 7% of 1995 revenue (Financial Mail, 19.07.1997). The local SANCO branch estimated that the total payment rate in Tembisa was a mere 21% at half 1997 (Infrastructure Research Team, 1997: 23).
- <sup>9</sup> From this point of view, the director of the distributors' association AMEU called for total "depoliticisation" of electricity supply, with the elimination of the local authorities' role on the basis of their inability to raise as payments the capital required for the electrification goals of the RDP (Municipal Engineer, November 1995).
- <sup>10</sup> George Dor (Alternative Information and Development Centre and PLANACT), personal communication.
- <sup>11</sup> The provision of electricity to low-income households is a notorious loss-making activity on the short term for Eskom, even if costs in this area are only a fraction of total capital expenditure. However, if this is combined with existing Eskom's capital surplus and excess capacity, it provides arguments for observers to advocate a restructuring of Eskom in the sense of rising intervention, rationalization and centralization in relations with distributors. See Van Horen (1996).
- <sup>12</sup> Released by the Department of Constitutional Development (1997).
- <sup>13</sup> Also the Rand Water Board is now considering the introduction of pre-paid water meters in Tembisa (Infrastructure Research Team, 1997: 23).
- <sup>14</sup> This can be considered as a parallel to recent World Bank's fashionable arguments of "empowering the civil society" in privatization processes that sidestep state regulation.
- <sup>15</sup> On these bases, for example, a well-known left academic labour commentator wrote in a Business Day article in 1995 that the bug nurses' strike on that year was largely due to the nurses' lack of a culture of negotiation.

# 1

## Electric Dreams, Shocking Awakenings, High-voltage Responses. The Pre-Paid Meter Box Riots and their Aftermath

While entering Tembisa one can realize from some little signs that the "transition" can be a quite contested concept in a place like this. In fact, the graffiti down the highway which emphasized the virtues of "Masakhane - Let's Build Together" were being opposed, or even replaced, by less colourful, but nonetheless more explicit ones claiming "Phansi Reserve Bank!" or "Phansi DeLoitte & Touche." Hospital View is a relatively better-off section of this sprawling township, where skyrocketing unemployment and the mushrooming of squatter settlements in the last three years have left residents with impressions of unparalleled decay and desolation. Conversely, Hospital View has dignified, fenced brick-houses orderly lined down the roads, even if infrastructures and services are poor, as in the rest of the township. Ali Tleane, former civic stalwart, now SANCO Gauteng's General Secretary, calls this area "a suburb with a township's quality of life." It was here in Hospital View that people rioted in the middle of 1996 against the installation of pre-paid electricity meter boxes.

This article will analyse struggles over the provision of electricity in Tembisa. My findings support the conclusion that events here reported cannot just be understood as a localised case of failed "delivery," bad "governance," or a lack of implementation of the RDP (Reconstruction and Development Program). They are rather expressions of changing forms of social policy and resistance in South Africa in the age of GEAR and neoliberalism. From this point of view, the case of Tembisa carries profound implications for future scenarios of struggle and mobilization over basic needs and the quality of life. Second, Tembisa is an interesting case of changing forms of social control, political marginalization of popular forces, and state repression of struggles. Third, the way in which local residents articulated their claims and actions poses relevant questions

for people engaged in finding a progressive, grassroots based, radical alternative to capitalism in its neoliberal phase.

The origins of the Tembisa electricity saga lie with the devastation of public services and municipal infrastructures left over by the apartheid local authorities system.<sup>1</sup> In 1993 the Tembisa Residents' Association (TRA), later to become the Tembisa SANCO branch, convinced the Transvaal Provincial Administration to disband the Tembisa City Council, and to replace it with an appointed administrator and Council, where the ANC (African National Congress) got 50% of the seats. The new Council reached an agreement in March with the TRA over the upgrading of municipal infrastructures. The implicit assumption of the deal was that the revision of rates and prices for services would be subordinated to a proper review and restructuring of local infrastructures (roads, water, electricity). The 1993 agreement enforced a R30.00 flat rate inclusive of all services. For the TRA that was a way to prevent total collapse and to reintroduce a “culture of payment.”

After the first local democratic elections in November 1995, the TRA (now SANCO Tembisa) expressed to the newly elected ANC-dominated Council the residents' desire that further reviews of the flat-rates agreement had to be part of a broader consultative assessment of the local infrastructural network. In fact, broken electricity boxes and leaking pipes were quite common in that period. In an area like Tlamatlama, power failures occurred regularly every evening at 6:00. Many residents, especially from the squatter settlements, had started to connect themselves illegally to the power network. However, during 1995 the Council unilaterally reviewed the agreement. A new payment system was introduced “as an interim arrangement until such time that metered accounts are implemented.”<sup>2</sup> New rates were established between a R3.00 minimum for informal settlements and a R80.00 maximum for 4-roomed houses with electricity. Resisting some initial criticism, SANCO accepted the new arrangement after negotiations with the Council and with the Alliance, in exchange for the commitment by the local government to comply with SANCO's proposed review and upgrading.

However, as Tleane noticed, by January 1996 SANCO members realized that the Council was unilaterally deviating from the agreement. A certain number of newly built houses were in fact being billed according to consumption, and not on the agreed flat rates. At the same time, the Council started to notify arrear electricity payments to dwellers of houses that were already metered. People who were expected to pay a R80.00 flat rate were therefore charged with thousands of Rands. By June 1996, resentment in the township was at the point of erupting.

In the same month, the Minister of Finance released the Growth, Employment and Redistribution (GEAR) policy document. Its emphasis on

relationship, and the loose nature of organisation and mobilisation do not augur well for the centralization needed by conventional social-democratic mechanisms of mediation and conciliation, unless these mechanisms are imposed in an authoritarian and repressive fashion.

Self-organization, self-management, decentralized reappropriation of economic and political power, networking of plural resistant subjects, social needs as a terrain of popular and working class counter-offensive through new and pragmatic levels of radicalism: these seem to be terrains for rethinking an innovative critical left (Esteve, 1987; Sheth, 1996). From the impending crisis of the opposing left and right myths of the transition, a third option remains open: that a new radically antagonist left-wing political project can emerge out of the rearticulation of social subjects opposing their needs and desires against neoliberalism.

authorities cannot play any meaningful developmental role “from below” to provide an alternative to both the market and state centralization. The fiscal crisis of the Tembisa Council and the direct relations between capital and community attempted in Soweto<sup>14</sup> are rather two sides of the same phenomenon: in both cases the redefinition of the role of the local authorities facilitates a disguised form of privatisation in accordance with neoliberal state-sponsored developmentalism.

From a popular and community point of view, then, it is hard under these conditions to regard local authorities, that are increasingly dependent on business' decisions, as “partners for development” with a meaningful role to play in redistribution. In the Tembisa case, in fact, capital simply contracts with the local authority for functions of social control and cost-effectiveness in the presence of a strong popular resistance. In the Soweto case, the local authority is simply sidestepped for the sake of the same cost-effectiveness imperatives. But it is also problematic to advocate simply the reduction of the role of local government: this is the lesson that right-wing privatizers draw from the crisis of the political process in development. Therefore, the opposition to the current local government system should explore the viability and form of local processes of redistribution of power and resources supported by nationwide popular demands, whereby local policy-making (by no means only institutional) is increasingly subordinated to dynamics of social self-organization of struggle, programmes and capabilities.

Finally, the events analysed in this article decisively challenge liberal and social-democratic mythologies of transition. The struggle of the Tembisa people in fact did not quite fit with the image of the “patience of the poor” recently praised by Adam, Moodley and Van Zyl Slabbert (1997) as a wishful self-reassuring liberal argument for social stabilisation. On the other hand, also the social-democratic assumption that all that is needed for a smooth and equitable management of the transition is the activation of tripartite, corporatist and co-determinist decision-making processes and a proper “culture of negotiation”<sup>15</sup> is here shattered. In fact, in Tembisa it was precisely the failure of welfare arrangements to make resources available for negotiations first, and the total alignment of the state at central and local level with a free-market approach then, that deprived a social-democratic solution to this issue of its substance. To this was added the ineffectiveness of the Alliance structures in local negotiations and the alignment of the ANC with local and national business.

All this questions, once again, the viability itself of corporatism and codetermination in the age of neoliberalism and globalized capital. Moreover, such options are undermined by the nature itself of the processes of resistance. The proliferation of oppositional subjects, their “molecular” spaces of manoeuvre, the relative weakness of the wage

“fiscal discipline” and stringent containment of budget deficit provided arguments for policy options that curbed direct money transfers to the local level. At the same time, this was to become a powerful tool to legitimize the adoption by local authorities of new approaches to service delivery based on “cost recovery.” In other words, to face the fiscal crisis of the local state, the Tembisa Council aligned itself with a broad shift which provided that any drop of water, or any watt of electricity had to be paid by everyone under the jurisdiction of the same local authority according to consumption and at the same rates. This did not consider the socio-economic conditions of different areas and sections of the population, the generalized levels of poverty and the huge inequalities between “white” and “black” neighbourhoods.<sup>3</sup> The RDP ministry had made clear already in March 1995 its opinion that “willingness to pay is all too easily undermined (...) by the depiction of infrastructure services as free goods, to be supplied as of rights” (RDP Ministry, 1995: 73). On the other hand, electricity continued to be, as during the apartheid era, a crucial source of income for local government, to be used to cross-subsidize other services (Infrastructure Research Team, 1997: 70, n.64).<sup>4</sup>

The philosophy of cost recovery started hitting Tembisa when SANCO learnt of a secret agreement signed by the Council with electricity contractors: the deal stipulated that “whenever possible” residents were to be charged according to consumption. Tleane recalls: “We found that disgusting.” The agreement also provided for a contractor, Kempton Electricity, to replace the old meter boxes on the streets with new meters inside houses. These meters, defined as “beyond meter installations, a complete electricity supply management system” (Urban Management, April 1997), were designed with the purpose to totally eradicate opportunities for non-payment still allowed by end-of-the-month billing and by meters on the street. In fact, these new appliances were “remote controlled”: they allowed an instant reading of each account from a central station, from which a network of sensors could track defaulters and tamperers at any time, making possible the disconnection of electricity in particular houses by, as a resident said, “simply pressing a button.” Moreover, these meters were “pre-paid”: residents would now be required to pay in advance for their purchase of electricity by showing to the distributor a personalised identity card, which enables the distributor to transfer electronically to the meter the information on the kilowatts purchased (Urban Management, April 1997). The costs for the installation of the meters, estimated by SANCO in about R1,000 each, would be covered in the Council's intentions by higher tariffs.

Apart from the spiraling increase in rates caused by the new system<sup>5</sup> compared to the previous flat rate, the new meters became for residents a hallmark of outrage and insult to the “moral economy” of the community.

In fact, their resentment was not only directed to the new system of payment; as Tleane and interviewees said, it also showed residents' feelings that a distant government and an estranged, unrepresentative local authority no longer trusted them, and were determined to force people to pay. Therefore, while the state was turning to market-oriented social policy, the ideals of redistribution and redress that had mobilized consent for the transition at a local level were decisively shaken. At that point, SANCO tried to articulate the residents' anger towards the Council and towards the contractors that were installing the pre-paid meters. Negotiations started, and ANC councillors managed to involve the whole local structures of the Alliance behind the Council. SANCO's position was from the start not to support the ANC agreement over pre-paid meters.

In the meanwhile, however, the battle of Hospital View had begun. In fact, the area was designed as the first neighbourhood where the new system would be introduced. The first acts of sabotage of meter boxes began in January 1997. Even if SANCO supported the flat rate agreement, the residents' demands were generally for free water, free electricity and the removal of the meters. Local residents who disconnected and broke the meters were faced with a level of repression reminiscent of the "old days." The police used dogs and baton charges against the demonstrators, and no less than ten residents were arrested for damages and illegal gathering. Some of the arrested claimed that no charges were raised immediately against them, and that they were beaten inside police vans or by policemen who walked inside houses without warrants. Others reported the use of firearms by the police. Massive electricity cut-offs started, at the same time when the militarization of the area was completed with the arrival of the army and of private security firms to protect the meter boxes. The traffic department was equally mobilised with video cameras and casspirs. In early 1997 a community meeting was convened by SANCO outside the Tembisa stadium, since the Council had refused to give the keys to the demonstrators. According to residents, even some councillors were present in such rallies. Participants brought to the meeting the meters they had disconnected and then they dumped the boxes in front of the main entrance of the local Council's offices. While the ANC condemned these acts at any level<sup>6</sup>, ordinary ANC members supported the disconnection of meters, feeling, as Tleane said, that the ANC-dominated Council had betrayed them.

At the same time, the nature of social opposition showed a change in tactics and forms of organisation. In fact, informal practices from the past, that during the transition are considered disruptive for the "Masakhane spirit," were now revamped and supported by the local SANCO branch at a general level. Residents had now in fact the ability, the technical expertise and the availability of materials to reconnect electricity by themselves,

## 3

### Conclusion: Lessons for Struggle

The Tembisa case shows the inherent nature of neoliberalism as not simply driven by a logic of economic efficiency, but as determined by changing imperatives for social demobilisation and political control that unite globalized ruling classes and the state. This "political use" of neoliberalism also shows that its economic rationality is not an all-powerful, self-evident logic to be imposed on powerless individuals and communities. It is rather a product of struggles, in this case of the determination of Tembisa people to express collectively social demands and desires which first transcended the narrow borders of apartheid and transition welfarism, and then resisted the state's turn to neoliberalism after the adoption of the ideology of cost recovery.

At a different level of analysis, this case study supports hypotheses that no solution can be provided to the issue of redistribution of resources in South Africa by available options from both welfare-social-democratic and neoliberal orientations. To put redistribution firmly back on a left radical agenda, then, it seems that the problem should be analysed in terms of how to develop appropriate forms of radicalism, conflict and organisation that can underpin demands able to mobilise movements for a fundamental reappropriation of power and resources. Free provision of municipal services through cross subsidisation and block tariffs emerge as one crucial demand from the Tembisa case. However, that demand could become viable and supported, to the point of successfully resisting a massive state repression, only because it was combined to two crucial factors.

First, residents were capable to self-organize their struggle and to self-manage resources. Here informal knowledge, know-how, grassroots expertise and social communication were crucial. Second, the issue of electricity as a question of social rights and quality of life carried a massive potential for mobilisation, which could be supported by network structures representing diverse sections of the marginalised and exploited class composition. In particular, networking between different antagonistic subjects emphasized the role of the household as a unit of struggle over consumption and production issues. On the other hand, the different cases of Tembisa and Soweto analysed here show that the present system of local

Capital's attack at the level of (...) consumption stems from its difficulties in halting the wage [levels] that workers have won in the factories. Although this attack is directed at the working class as a whole, it tries to exploit the division of labour (factory waged labour vs. domestic unwaged labour) on which capitalism rests by hitting a weak sector of the class [composition] (Ramirez, 1992: 192).

Therefore, the struggle to reduce the monetary cost of a family's consumption of services becomes crucial for the survival of working class households, particularly in areas with high unemployment or marginal/informal employment. In the case of the already mentioned Eskom-SANCO agreement in Soweto, for example, it does not seem arbitrary to suppose that the cheaper provision of electricity provided for by the deal will encourage local businesses to turn to labour-saving, capital-intensive technology.

These observations ultimately strengthen the impression that the nature of confrontation, resistance and repression in Tembisa does not depend from the technical nature of the electricity problem as such in that particular township. This rather seems a localised expression of a much wider problem: the dilemma for a neoliberal state built on the ruins of welfare/developmentalist approaches to enforce new methods of social control once the "old" methods, based on collective identities, consent and discipline inside the redistributive developmental discourse, are no longer available.

wiring their houses to the power lines, once it was disconnected. While the official discourse of "delivery" was undermined by fiscal discipline and cost recovery, a new process of delivery "from below" was therefore legitimised. Conversely, the community was now showing a capacity of self-managing services and needs that went well beyond "resistance," while a strong resistance to these processes was now coming "from above," from government and the Alliance. In Tleane's words:

People resolved by themselves to switch them [the appliances] on, and finally they did. How people did it is something someone couldn't understand, but in the final analysis they did it.

And residents:

We know everything about electricity, we live with electricity, and if they disconnect it, we know how to reconnect it.

What was then called "operation Khanyisa" (meaning "switch-on") lasted until August 1997, when the Council capitulated to the residents' immediate demands, announcing that the enforcement of the new payment system was suspended.

At present, according to SANCO estimates, the overwhelming majority of electrified houses is still billed under the conventional system (i.e. with the meter box on the street), while nearly half of Tembisa's households (one third according to Kempton Electricity) are not electrified at all. While residents were enjoying what they considered a victory, a new round of negotiations started. SANCO now demands the return to the old flat-rate agreement violated by the council until the implementation of an integrated service upgrading of all basic municipal infrastructures. A task team was initially appointed for a consultative process that included SANCO, the local government MEC (Member of the Executive Council), and councilors from Tembisa, Kyalami, Kempton Park and the Transitional Metropolitan Council. The failure to reach an agreement led to the disbandment of the task team. The matter was then further centralized and referred to another task team, which currently includes representatives from the Gauteng provincial structures of SANCO and ANC, but not from the Tembisa local Council.

In the meanwhile, the climate at Tembisa is more similar to a truce than to a stable solution. Residents seem determined not to retreat from what they have gained. Most people still do not pay rents, and boxes are still largely disconnected. In particular, they are aware that maintaining their position of force still depends on their ability to deprive the repressive apparatus of the control of the territory. The level reached by the

confrontation is witnessed in interviews which also indicate how fragile SANCO's negotiating mandate can become, and how close things can come to an all-out physical confrontation:

It's just because of the name "Tembisa," because it's history: Tembisa is rough. People here shoot, and they shoot to kill.

State structures are reported as "in danger" since, as another resident said:

It's going to be tough, because we've got guns, AK-47. We are heavily armed (...). Conflict won't come to an end, it will continue. There's no solution to this thing. We are not afraid of them.

Someone also mentioned as a reason for the relative easing of repression the authorities' fears of a convergence of resistance on the electricity issue with elements of a criminal gangsterism that is deeply rooted in the township.

The combination of negotiations, political pressures on SANCO, and persistent grassroots mobilisation determines therefore a potentially explosive mix that makes the Tembisa electricity issue a crucial confrontation over popular needs. To appreciate these aspects, it is however necessary to draw some implications from the Tembisa saga in terms of rationale for restructuring and dynamics of popular opposition.

SANCO structures, and even exercise a restraining effect on local leaders. This has not gone so far as to provoke deep internal divisions inside SANCO, as it was the case for the struggle over electricity cut-offs in KwaThema. However, other sophisticated methods of control were more relevant to the Tembisa case.

The importance of information in social control is noticed in analyses at a general level. A study by the RAND Corporation (Arquilla and Ronfeldt, 1993), produced in the heydays of the Zapatista uprising in Chiapas, showed that the most powerful threats for global capitalism will probably come in future not so much from global superpower confrontations or full-scale attacks at the core of political and economic power, but from localised acts of subversion and disarticulation carried by groups of activists loosely connected by networks of information and communication. Therefore, control of information, more than a pervasive physical control of the territory, is becoming a decisive strategic advantage. The constant availability of information on the movements and attitudes of potential insurgents (such as the Tembisa ratepayers) is therefore identified as the core of the strategic imperative of gaining a "dominant battlefield knowledge" (Nye 1996). Mike Davis (1993) has analysed the role of information and electronic monitoring as counterinsurgency devices vis-à-vis social movements in his discussion of the Los Angeles Police Department as a "cyber-police" after the 1991 riots in that town.

In the case of South African townships, it may be further hypothesized that the aims of control and repression are not only to curb the antagonistic potential of associational networks and community structures, but also to weaken community links by dividing them from a factory working class that is much more militant, united and organised than in the average "developing countries." A Tembisa activist argued from this point of view that the pre-payment of services is likely to promote an individualisation of delivery that will marginalise the working class, particularly the unwaged (Infrastructure Research Team, 1997: 22). It is in fact these strata of the population that will be likely most adversely affected by an increase in electricity rates. On the other hand the capitalist and state attack on the consumption of services in the name of fiscal discipline will undermine real wages and create additional burdens to wide sections of the population, such as unemployed and female-headed households. The attack on the sphere of reproduction and households as weak links of global production processes can therefore substantially undermine collective solidarities, purchasing power and bargaining potential of the most militant sections of the working class.

With regard to the 1970s' massive movement for popular "self-reduction" of electricity rates in Italy, it was noted that

of them are highly dependent on electricity revenues. As a manager of Kempton Electricity said, the new system was “not just supplying customers with a meter, but with a completely unique communication system” (Urban Management, April 1997). In other words, the question was not just to check that every customer had paid for his/her bill at the end of the month. The aim was rather to place customers under a constant electronic surveillance to make the distributor sure of a continuing discipline and positive attitude to payment. A centralised system, similar in this to Foucault's panopticon, would check in instant time the orderly working of the “cost recovery” process, implacably punishing the defaulters.

The whole meter system is then based on a constant flow of information from the households to the control station. At this point a question arise: why the “free market” logic of demanding payment for the exact amount of services led in the case of Tembisa to the deployment of such a tight and pervasive disciplinary apparatus?<sup>13</sup> The answer to this question seems to depend on the specific nature of Tembisa as a historic site of mobilisation and resistance, and on the additional imperatives of political control that this determined for the state. Commenting on the installation of remote-controlled meters, Ali Tleane noticed that “Tembisa was becoming a testing ground for something that had never been tried before, as an example for the whole country.” The reason why Tembisa became a laboratory in new techniques of social control has apparently much to do with the high level of politicization of the class composition in this township.

The civic movement has always been very strong in Tembisa, with a culture of grassroots autonomy quite entrenched in a number of constituencies (COSATU branches, taxi owners, students, etc.). As Tleane continued, “people didn't think that the ANC after 1990 would simply come and swallow the civic up.” According to a local activist, thousands of residents belong to SANCO street committees, section committees and block committees, where they address collectively quality of life issues. Associational life is quite articulated: 10,000 households out of 36,000 belong to collective schemes such as burial societies, church groups, housing co-operatives, organisations of the unemployed, women's groups, students' groups and trade unions. Many of these organisations interact in network-like structures (Infrastructure Research Team, 1997: 22). This articulation seems to have supported dynamics of resistance to electricity rate increases, and therefore it represented for the government a problem of political control. This was addressed by the combination of electronic surveillance and militarization. Probably the politicization of the electricity issue by the ANC, with the involvement of high-level party and Alliance structures in negotiations, will probably place pressures on the local

## 2

# Neoliberal Local Developmentalism and Repression: Understanding the Approach of Capital and Government to Tembisa

### 2.1 “Cost Recovery” and the Neoliberal Translation of Development Discourse

The struggle over electricity in Tembisa underlines the uneven and inefficient structure of electricity production and distribution in South Africa. While government policy during the transition aimed at restricting Eskom's role to generation, transmission and bulk distribution, this entered a contradiction with the persistent inability of the state to enforce a nationwide tariff structure. The government's limitations in this kind of welfare state attribution have left wide space of manoeuvre for the more than 400 distributors present on the national territory in the fixation of electricity rates for domestic, industrial and commercial uses. On the other hand, both Eskom and distributors depend on local authorities for the collection of payments, and local authorities themselves depend on electricity payments for their survival.<sup>7</sup> Therefore, the electricity issue is a site of contradictions for scarce resources between big and small business, local customers' networks, and the local state, while the central state is unable to pursue a real developmentalist and welfarist role.

The residents' non-payment movement ultimately ignited state-capital contradictions. At the same time, popular demands and expectations over social needs largely exceeded any real capacity by the state to control conflict with limited welfarist measures. They rather called for a fundamental redistribution of resources and power towards the community. The failure of the regulatory state shows, conversely, the limitations of local authorities as mediators between electrical capital and communities to enforce payment. On the other hand, while Eskom continued to threaten further cut-offs<sup>8</sup>, big business, whose electricity supply was jeopardised,

started pressurising for Eskom take charge directly of the supply of electricity (Financial Mail, 19.07.1996). At the same time, many communities themselves, feeling that the local authorities would have never become effective tools for cross-subsidization, seemed to second these trends for a greater interventionism by Eskom and its envisaged role as an agent of cross-subsidy.<sup>9</sup>

A recent agreement between Eskom and SANCO Soweto goes precisely in this direction. Five areas of distributions were in fact created, with tariffs negotiated directly between communities and Eskom, which allowed for a relatively cheap rate, given that the mediation of the local authorities was sidestepped by the agreement.<sup>10</sup> At the same time, the establishment of regional electricity distributors is discussed as a further step in the rationalisation of relations between Eskom and distribution, and to relieve local authorities from popular pressures (Urban Management, September 1997). These dynamics, and the process of restructuring Eskom towards cost-effectiveness and away from the intricacies of the existing tariffs' quagmire<sup>11</sup>, objectively define a context that greatly facilitates a further commodification and privatisation of electricity delivery, with the predominance of a market logic in payment.

On the other hand, the state is aligning itself along these trends. In fact, from one side cash-stripped local authorities seem emasculated by the alternative of being agents of social control and repression, as in Tembisa, or being involuntary tools of a creeping privatisation, as in Soweto. This alternative substantially deprives local councils of any capacity to use electricity revenues for social policy and redistributive functions. From the other side, the state's response to its fiscal crisis at the local level and to the failure of an institution-driven developmentalist project consists in defining new areas of compromise and alliance with corporate capital. From this point of view, the creeping privatisation envisaged by new relationships between Eskom, distributors and communities represents the most fertile ground for the free-market approach underpinning the discourse of "cost recovery." This seems indeed to become a new hegemonic paradigm in state's approach to the provision of urban infrastructures.

As a consequence, the problem is not so much that of a failed "delivery," or of a temporary retreat of the state from redistributive and regulative policies. What we have is rather the definition of "cost recovery" policies as a stable, strategic terrain of convergence between the restructuring of big business (Eskom and distributors) towards competitiveness and cost effectiveness, the privatization and individualisation of relationships with communities, and the construction of a new state hegemony around a neoliberal discourse (National Institute of Economic Policy, 1996). The new government orientation, as envisaged by GEAR and the Urban Infrastructure Investment Framework, gives

implementation, on the other hand, to World Bank's precepts which posit a direct link between cost recovery, economic efficiency, and total privatisation of basic infrastructures (Galal, Jones, Tandon and Vogelsang, 1994). This will force a resident in impoverished and degraded Tembisa or Alexandra to pay for electricity at exactly the same market rate as a resident in the nearby wealthy white suburb. On the other hand this approach is a stumbling block for cross subsidization and block tariffs as ways to redress inequalities in basic social conditions. At best, this policy line will provide for "safety nets" and individualised targeted minimum entitlements only for the extremely poor (Van De Walle and Nead, 1996; Irwin, 1997), as in the case of the World Bank-sponsored introduction of "Ventilated Improved Pit-latrines" instead of proper flush-toilets in the townships.

The above trends seem confirmed in the recently released Green Paper on Local Government.<sup>12</sup> This latter translates a loosely defined "developmental" role for local authorities into a limitation of the role of local government to the identification of "core" services aimed at "basic needs," admitting that this will entail "hard choices" and probably "cutting and re-directing programmes whose benefits are unclear." On the other hand the document is extremely vague and inconclusive on issues such as the redistributive destination of local revenues or of transfers from higher levels of government (Local Government Chronicle, 17.10.1997). Conversely, the alignment of the state along neoliberal developmentalism and its failure to respond with welfarist solutions to popular demands and struggles deepen trends to commodification of basic services, while laterally reinforcing the state's prerogatives in the sphere of social control and repression.

## ***2.2 Dominant Battlefield Knowledge. New Directions for Social Control in the Age of Neoliberalism***

The failure of the Tembisa local Council in its functions of public welfare emphasized its role in social control and repression, as I have noticed in the first part of this article. Two issues need here to be addressed separately. From one side, the introduction of pre-paid, remote-controlled meters is a technology of surveillance and prevention of direct appropriation of electricity by users. From the other side, this is combined to more traditional state roles in the direct suppression of protest with a heavy military apparatus. The first of these two aspects is definitely the most innovative and relevant for the purposes of my argument. The pre-paid meter system was, as I noticed, the result of a strategic convergence, aimed at resuming the people's "culture of payment," between capital (represented by Eskom and Kempton Electricity) and the local state. Both