## **Government, profit and inequality** Linking hands in the water sector

**Sagie Narsiah** believes that the South African state's neo-liberal policies have violated citizens' equality and socio-economic constitutional rights. He explains how people in different geographic spaces are treated differently and how lower incomes limit citizenship rights.

ne of the landmark features of the modern era is the recognition that all human beings are equal. South A frica finally accepted this in the 1990s when the democratic government recognised citizens as equal, regardless of colour, creed or sexual orientation. But the concept of equality has been steadily undermined by the economic philosophy known as' neoliberalism'. Neo-liberalism has been used to exercise control over the masses, most of whom are poor and black, and who for the most part make up the working classes.

G overnance of the poor is a key cog in the neo-liberal system, which privileges the rule of the free market and individualism and advocates mechanisms such as privatisation for the distribution of social goods. To effect this, and to sustain levels of private profit, the system demands that people are treated differently and unequally.

Even public sector institutions have adopted neo-liberal principles, operating as businesses, while the citizen takes second place behind the consumer and client Basic services such as water and sanitation are run as businesses. N eo-liberal principles have informed the provision of water to the poor. C entral to the governance of the poor is geography. Poor people who inhabit designated spaces are subject to a particular form of governance under the neoliberal regime. To demonstrate this, take the example of water service provision in D urban, which is rooted in neo-liberal thought

## **CREATING 'NEO-LIBERAL' SPACES**

The democratic government of 1994 inherited a fragmented South A frica I ts first task was to engineer coherent spaces, linking white towns with townships and creating single administrative structures to manage those spaces.

Relationships based on the apartheid past, in which white towns benefited at the expense of black townships, also had to be redressed. N o fewer than 843 municipal entities had to be merged. The creation of a single tax-base also had to be addressed, and to facilitate this, the Local G overnment Transition A ct of 1993 was passed. H owever, the issue of space still had to be addressed.

In 1998 the Local G overnment Municipal D emarcation A ct created the independent Municipal D emarcation Board to 'provide for criteria and procedures for the determination of municipal boundaries by an independent authority; and to provide for matters connected thereto'. The board had to satisfy certain conditions in demarcating a municipal area, including the provision of democratic and accountable government, effective local governance and integrated development.

Interestingly, municipalities also had to 'have a tax base as inclusive as possible of user municipal services in the municipality'.

In setting boundaries, the Demarcation Board had to take certain factors into account They included 'the financial viability and administrative capacity of the municipality to perform municipal functions efficiently and effectively... the administrative consequences of boundary determination on municipal creditworthiness.. (and) the need to rationalise the local number of municipalities within different categories and of different types to achieve the objectives of effective and sustainable service delivery,



financial viability and macro- spatia

economic stability. It is not difficult to see the hand of neo-liberalism in these principles Read together with the objectives, the exercise sought to create municipalities that could exist as financially viable standalone entities with very little help from central government

## DURBAN CASE OF GOVERNING POOR

The new demarcation of municipal boundaries brought together disparate spaces and administrations left by the apartheid government into new configurations. Under the Local G overnmentTransition A ct a number of transitional councils, including D urban, were set up. Within this structure older administrations such as regional services councils and development services boards, continued to operate. The revised municipal structures became a reality for the first time in the local government elections of 2000.

This signalled a big change in the spatial status of the City of D urban. In 2000 the unicity came into being, and with it the D urban Metropolitan A rea and the eT hekwini municipality. The new spatial order included former R293 areas or black townships administered by the K waZ ulu government, as well as areas with their own local authorities. C rucially, the new metro increased D urban's spatial extent dramatically I t now included rural areas, which made up about 66% of the eT hekwini region.

For D urban Metro Water Services (D MW S), which had previously provided water and sanitation services to the City of D urban, this was a big challenge. It had to contend with a huge increase in the number of households requiring services, many in rural areas.

D MW S inherited an ageing infrastructure and in rural areas, no infrastructure at all, poorly managed services, and an absence of documentation to name some difficulties.

Also, because water sources in the rural areas came from streams and dams, cholera was a massive public health problem. D MW S faced a crisis, compounded by the downscaling of funding from the central fiscus, with municipalities expected to be self-sustaining. This also applied to various local government service sectors, such as water and sanitation. For D MWS the key issue was finances. This meant that the standard reticulation design that the old City of D urban had enjoyed could not be extended to the rest of the region.

The 'spatial solution' was to offer people living in different parts of the eThekwini region different levels of service. To be sustainable, D MW S provided a full-pressure service, a semi-pressure service and ground or roof tanks.

People living in rural areas and informal settlements would not get a full-pressure water service, and, in this regard technology played a crucial role.

Firstly, a mapping exercise was carried out W ard and communal boundaries were considered in creating a number of project areas, which were then divided into smaller units. E ach area was supplied with a full-pressure pipeline that acted as a 'spine' from which a number of connections were run.

Each spine carried an electronic bailiff unit - basically a timer that dispensed water at specified times, and each connection led to a 200litre tank. I nitially, the tanks cost R 300 each, but the municipality later provided them free of charge to households. The water service became financially viable because water to the tanks was supplied at off-peak times, with the electronic bailiff unit programmed to dispense 200 litres of water to each tank between 12am and 2am. This cut the cost of infrastructure, particularly pipes, dramatically.

However, the provision of water is not separate from the provision of sanitation and so another technological fix was used. Full flush toilets were not provided. Households could apply for one only if they had a full-pressure water service and the means to get rid of grey water - in short, sewer connections, which were not available. The effect was to force households to use the technology provided by the municipality's'ecosan toilets' (these toilets facilitate the separation of solid and liquid matter. The liquid is drained away and the solid matter is manually removed when it dries out)

As these toilets had to be constructed of bricks and mortar, brickyards were set up in project areas employing local labour. It was a labour-intensive process as most dwellings were inaccessible by motor vehicle. 'E co-san' toilets have to be maintained by householders and are funded from the Municipal Infrastructure G rant and a council subsidy.

The provision of water and sanitation infrastructure did bring benefits to communities W hile the old and young, including children of school-going age, had previously carried water from unsafe water sources, water was now available each morning, as the tanks filled up at night The brickyards produced bricks which are now used to construct modern dwellings H owever, rural people do not have the unlimited water supply enjoyed by those in the municipality's urban core. Rural people are not alone in having a limited water supply in terms of the government's free basic services policy. For a number of households, including in former township areas, water has become unaffordable.

In the former Indian township of C hatsworth, for example, some households cannot afford water and the municipality has disconnected them. Such disconnections are illegal, and communities and the council have fought court battles over them.

The council's response was to resort to yet another technological solution: flow limitation devices that ensure the supply of the legal minimum (200 litres then and now 300 litres per day) to 'indigent' (poor) households These dispense a prescribed quantity of water per day. 0 nce this is exhausted, consumers are left without water unlike households with an unlimited supply that they pay for on credit.

## **MARKET LIMITS HUMAN RIGHTS**

To allow the DMWS to operate as a commercially viable enterprise, a strategy was introduced that led to discriminatory treatment Crudely put, the nature of neo-liberalism is to treat people unequally and to make the market the arbiter of human rights.

A ccess to water, a human right and a basic need, is viewed as an economic provision. And while being paraded as a tool of liberation, technology becomes a device for promoting financial viability - in a word, profit T here seem to be different classes of citizens in South A frica

Yet the South A frican Constitution upholds the principle of common citizenship. S 3 of its founding provisions states 'There is a common South A frican citizenship. All citizens are equally entitled to the rights, privileges and benefits of citizenship, and equally subject to the duties and responsibilities of citizenship.'

In addition, the Bill of Rights embodies an equality clause that states 'E veryone is equal before the law and has the right to equal protection and benefit of the law. Equality includes the full and equal enjoyment of all rights and freedoms... The state may not unfairly discriminate directly or indirectly against anyone... 'It also states that' everyone has the right to have access to sufficient food and water'.

The South A frican state's neoliberal approach violates the Constitution in terms of citizenship, equality and socio-economic rights

Firstly, not all citizens are treated equally From the case study above it is clear that people living in different areas have access to different levels of service.

Secondly, class and space are used to effect the uneven outcomes of neo-liberalism. People who cannot afford to pay for an unlimited supply of water have their citizenship rights technologically limited by flow-limitation devices that dispense a specified amount of water each day. This is regardless of family size or situation – for example, multiple families may live in a single dwelling or even the same yard.

Providing the poor with unlimited water would force the municipality to increase its non-revenue water supply. This would affect the municipality's financial viability. Its sustainability and credit rating would also be undermined, affecting its ability to attract investment All of this has problematic implications for the rights of citizens.

Sagie Narsiah is a lecturer in the D epartment of G eography at the U niversity of K waZ ulu-Natal.

45