

## **“Free Water” as Commodity:**

### **The Paradoxes of Durban’s Water Service Transformations**

by Alex Loftus

In September 2002, an article in the Johannesburg Sunday Times declared a “torrent of praise for water man” Neil Macleod—the executive director of eThekweni Water Services (eTWS).<sup>1</sup> The paper went on to extol his tremendous efforts and ingenuity “in turning around Durban’s water woes” (Horner 2002). eThekweni Municipality’s own publication, METRObeat, “saluted” Macleod and his department for having transformed the city’s crumbling water network and having ensured that “Durban leads the way in providing one of the most basic necessities of life: water” (METRObeat, October 2002). Both articles were media responses to an award presented to Macleod by the US National Geographic magazine, along with the enormous praise he had received from both the South African government and other international agencies from around the world. Studies by the Water, Engineering and Development Centre (WEDC) at Loughborough University (PDG 2000), Palmer Development Group (DWAF 2001) and the World Bank (2001) have also marvelled at the municipal utility.

Praise is normally directed at the utility’s vision and dynamism in responding to the needs of the urban poor whilst simultaneously being able to recover costs (Durban is said to be 93% effective at full cost recovery (DWAF 2001)) and reduce overall

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<sup>1</sup> eThekweni Municipality came into being following the amalgamation of former tribal land into the Durban Metropolitan Area on December 5, 2000. This is the functional name given to the entity many people still refer to as Durban. Durban Metro Water Services has thus become eThekweni Water Services.

demand for water. To some extent there has become something of a cult of the Durban example and the individual at its helm. Both are seen to be offering hope to other public sector providers around the world. To many, they seem to provide evidence that the state is not the unresponsive dinosaur talked of by neoliberal analysts. Instead, it can innovate, modernise and respond to consumer concerns whilst simultaneously being efficient, cost-conscious and fiscally austere. To some, it has become the ideal commercialised public utility.

Whilst accepting many of the positive gains that have taken place in Durban, this chapter goes beneath the sheen to reveal the troubled waters below. I argue, in particular, that the introduction of the free basic water policy within the city has paradoxically been a mixed blessing. While guaranteeing a minimum amount of water per month to all households, the free water policy has also resulted in a rise in the surveillance of supplies and the imposition of severe restrictions to the amount a family is able to consume. This situation has been greatly exacerbated by the structural constraints in which the municipality finds itself. On the one hand the commercialisation of the city's bulk supplier (Durban buys all its supplies of water from Umgeni Water—a former water board—which subsequently has an enormous influence over the final costs of water in the city) and on the other the haunting spectre of privatisation have had a profound influence on the shape and direction of eThekweni Water Service's policies. Thus, twin logics—one paternalistic, the other commercial—run through all new developments within Durban's water services. As these logics intertwine and diverge they threaten to tear apart what seems on the surface to be a step towards greater equity in the shape of a free basic water policy.

The research is based on in-depth case studies in three contrasting but neighbouring areas of the city—KwaMashu, Mzinyathi and Inanda. KwaMashu is a large township constructed from the early 1960s after the eviction of families from Cato Manor. Its formal layout has been serviced with water from the time of construction. Inanda is a large informal settlement, comprising 33 distinct communities. It brims with political history and had a strong and autonomous anti-apartheid youth movement in the late 1980s which was targeted by both the Inkatha Freedom Party and the apartheid authorities (see Hemson 1996). Here, water services are being introduced at differing levels of service, from standpipes to household connections. Mzinyathi lies on the banks of the Inanda dam and consists of dispersed round mud huts. Individual ground tanks (one of the municipality's supposed innovations, discussed later) have been introduced since 2001. All three areas have extremely high levels of unemployment and poverty.

In KwaMashu, three community workshops were held over water issues in Section C of the township. These were structured as focus group interviews with participants discussing their ability to access water, how this has changed historically and how they felt it could be transformed in the future. Space was opened up for as much participation as possible and the meetings ended up driven by the issues highlighted by participants. All responses were summarised at the end of the workshops and they were followed up with in-depth household interviews. In Inanda, community workshops were held in Amaoti, Bhambayi and Amatikwe. Again these were followed up with in-depth household interviews. In Mzinyathi, households were randomly sampled in an area recently targeted with a large water project and in-depth interviews conducted with members of the households living there. The number of

participants in the community workshops ranged from fifty in KwaMashu to ten in Bhambayi. In all five areas (including the three in Inanda), at least twenty follow up household interviews were conducted. I also interviewed the councillors of all these areas and when possible met with the ward committees and civic organisations or development forums currently operating in the area. I also integrated some random individual sampling in each area, conducting interviews at standpipes and interviews with next-door neighbours of those who had been at the community workshops rather than the actual participants in some cases. Supplementary interviews were conducted with senior managers at eThekweni Water Services and within the municipal bureaucracy.

This range of techniques gives a particularly detailed picture of what residents feel about their water services. This is in marked contrast to much of the media spin which relied on interviews with a few senior managers at eTWS. I begin, however, with the media's spin on Durban's successes to provide an outline of what are, undeniably, some of the important service delivery gains that have been made in the city.

### **Durban's "Spin"**

Durban Metro Water Services is widely understood to have been one of the pioneers, if not *the* pioneer of the free basic water policy in South Africa. In a press statement issued on October 13, 2000, soon after President Mbeki's announcement of the government's intention of providing free water to all households, the Minister for Water Affairs, Ronnie Kasrils, highlighted Durban as one of the best case examples, offering hope to other municipalities throughout South Africa. Kasrils stated that

Durban proved the feasibility of Free Basic Water whilst simultaneously showing that such a radical policy could make sound financial sense (Kasrils 2000a).

The development of this policy in Durban now seems to have become a part of international water folklore,<sup>2</sup> having been recounted in several research reports (Macleod 1997, PDG 2000, DWAF 2001, World Bank 2001) and having been told so many times to budding researchers by the main protagonists it is difficult to detach real fact from embellished fact. In retrospect, as Macleod and others are keen to stress, one of the key moments in the beginning of Durban's journey to a free water policy was the development of a ground tank system in informal areas. This allowed a fixed amount of water (200 litres per household per day) to be delivered at a relatively low cost to shack areas in the municipality. Initially, residents were charged for the service but the municipality soon realised that the cost of charging individual households outweighed the revenue generated. It was therefore cheaper to provide the service for free.

Looking at the rest of the municipality and the costs involved in disconnecting households, it was judged on both the grounds of economic efficiency and universal fairness that the service should be extended to all consumers within the municipality (interview, Reg Bailey, September 5, 2002; interview, Dom Magubane September 9, 2002). Thus, six kilolitres per household per month (200 litres per day), fixed by the size of the ground tank (and based on an early estimate of the amount of water used by the average household in an informal settlement) became the fixed free water figure in Durban.<sup>3</sup>

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<sup>2</sup> At various water seminars in Oxford, I have found this to be one of the first points around which others will engage, several already having carried out research on the free water story.

<sup>3</sup> It soon became the target for municipalities throughout South Africa. It is worth commenting at this stage on the level of the free basic water allowance. Whereas it has some bearing on an early

Durban has been keen to innovate medium- and low-tech options for the provision of water to poorer areas of the city. It has experimented with water kiosks, water bailiffs, ground tanks, semi-pressure systems, flow limiting devices, flow restricting devices and free water standpipes. Not all of these are “home-grown” Durban developments; however, the large number of technological experiments attest to the dynamism of individuals within the company (many cite Macleod’s vision, although Macleod himself is keen to point to the “inventiveness” of former Director, Roy Pinkerton). They are also, perhaps, a sign of the austere environment in which the utility is forced to operate. I will discuss the constraints imposed by the bulk supplier, Umgeni Water, later in this paper but it is worth noting here that the pressure to reduce costs, recover costs, lower demand and extend the network to outlying areas has forced eTWS to innovate.

Another “technical” solution to water provision has been the introduction of a more progressive block tariff on water prices. The current tariff structure (calculated over a 30 day period) is outlined in Table 1.

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calculation of the needs of residents in an informal settlement, it should in no way be assumed that the needs of all residents in formal township are the same. As Arrighi (1970, 211) writes, “the terms ‘necessities’ or ‘subsistence’ are not to be understood in an exclusively physiological sense: people get used to what they consume and ‘discretionary’ consumption items can, with the mere passage of time, become necessities whose consumption is indispensable.” Whether six kilolitres (KI) per month provides sufficient water for the “physiological” needs of many residents is itself debatable, but it certainly does not fulfil the socially defined needs of the majority of those interviewed.

<b>Table 1: Charges in Rand/kl of water consumed as of July 2003</b>				
Monthly Consumption	Ground tank. Low pressure.	Roof tank. Semi-pressure system.	Domestic. Full pressure.	Industrial, commercial. and other users
0kl to 6kl	nil	nil	nil	5.72
from 6kl to 30kl	n/a	3.81	5.72	5.72
more than 30kl	n/a	11.45	11.45	5.72
fixed charge	nil	nil	0-44.71	39.22-4,471.08

Partly through such a tariff mechanism, the city has been able to reduce and stabilise demand for water at 1995 levels. It has also been able to extend the network to 100,000 new households through both the ground tank and semi-pressure tank system (Horner 2002, METRObeat 2003, interview, Neil Macleod: March 26, 2003). eTWS also replaced much of the decaying network in the city's townships, thereby dramatically reducing unaccounted for water. In one section of KwaMashu, daily consumption was reduced from 25,000 kilolitres to 17,000 kilolitres per day because of the improvements to infrastructure and the targeting of illegal connections (METRObeat).

Macleod has likened the process to a "military operation" (Horner 2002), a metaphor that seems particularly apt when one considers some of the measures the municipality has gone to in ensuring that all those who benefit from the improved service abide by its payment plans. The municipality's METRObeat publication referred to the operation as "plugging the flow"—another pertinent observation for those who have had their supplies "plugged" to a volume far lower than they were once receiving.

Interestingly, eTWS' innovative approach has also received the attention of private sector providers. From 1998, French multinational water provider Vivendi has been engaged in two phases of a trisector partnership with eTWS, originally under the Business Partners for Development KwaZulu Natal pilot project (see Lumsden and Loftus 2003). Although Vivendi's initial hope of gaining a contract out of their dealings with the municipality was clearly one of the main motivations for the partnership, the knowledge it is gaining from working with eTWS in informal areas is also now seen as a major commercial asset in bidding for contracts in other cities in the South. There is also clearly more than a smattering of good public relations to be gained from such a "benevolent" venture.

### **Beneath the Spin—From Disconnections to Restrictions**

Having outlined some of the progressive steps Durban has been able to make in improving water access for the urban poor, I turn now to some of the serious problems being experienced by households in the case-study areas. The central theme running through this discussion is the pressure being placed on households to restrict their water supply. In spite of the free water policy, many households have amassed large water payment arrears and continue to receive large bills from the municipality. The harsh response from the municipality towards those who have consumed more than they can afford is then couched in terms of "helping" families to regulate their own household supplies by reducing their bills. Because poor families tend to be those who have problems paying their water bills, these restrictive measures have, almost without exception, been targeted at the poor.

As with most other municipalities across South Africa, water disconnections have provoked some of the greatest post-apartheid resentment in the country (McDonald and Pape 2002). In Durban, the problem of disconnections came to light dramatically in a court case between the Durban Transitional Metropolitan Council and Christina Manquele. With assistance from the newly-formed Concerned Citizens Forum, Manquele, a 35-year-old mother of seven from Chatsworth argued that the Council's disconnection of her water supply was a breach of her right to water as enshrined in the 1997 Water Services Act. The case went to court in 2001 and at first, with the municipality being ordered to reinstate Manquele's water supply, it looked like she would win her case. However, in its final judgement, the court argued that because she had "chosen" not to limit herself to the Council's free water allowance and, moreover, had tried to reconnect illegally, Manquele had forgone any right to water.<sup>4</sup> Immediately after the case, the municipality stated that even though it had won and thereby ensured its right to be able to disconnect, it would not disconnect supplies any more but would merely restrict individual households to the free basic allowance through the installation of flow restrictors or "tricklers".

The situation is now somewhat blurred. Several households visited during the course of this research (and a Primary School in Inanda) *were* physically disconnected from the water supply for non-payment at the time of the research (January to May 2003). Repeatedly, however, when I followed these cases up with either the management at eThekweni Water Services or with the internal department responsible for "account management", they argued this was impossible—the bailiffs had been instructed to

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<sup>4</sup> The case is well documented in Ashwin Desai's *We Are the Poors* (2002). See also [http://www.communitylawcentre.org.za/localgov/bulletin2001/2001\\_1\\_manquele.php](http://www.communitylawcentre.org.za/localgov/bulletin2001/2001_1_manquele.php)

insert restrictors and not disconnect.<sup>5</sup> To avoid undue criticism, however, I will assume these disconnections are anomalies. This will also allow me to enter into a more in depth discussion of the effects of the “fairer” policy of restricting supplies.

Since the development of a free water policy, eTWS has channelled much of its efforts into ensuring poor households limit their consumption to this free water allowance (and sometimes a level somewhere below this because of the unreliable methods of measurement used) or to a level that households might regard as affordable. In effect, the provision of this lifeline supply of free water has provided something of a moral justification for disconnections and restrictions and helped to fend off criticisms and reduce the likelihood of community mobilisations. It was this moral position that allowed the municipality to declare a victory in the Manquele case and deflect criticisms that it was acting in an unduly harsh manner.

Flow restrictors, or “tricklers”, are the most common way of restricting water use. They consist of a simple disc with a narrow hole in the middle, which dramatically reduces the diameter of pipes at the meter, thus restricting the flow to a daily level that approximates the free water allowance. Such a method is notoriously unreliable, however, being determined to a large extent by the ambient water pressure (which is often quite low in township areas). A prime example of this (and representative of many other cases) is shown by a household in KwaMashu C. Here, the household head had entered into an agreement with eTWS to have her water supply restricted (after having received several threatening letters from the municipality about her payment arrears). She is now receiving less than two kilolitres per month, despite the

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<sup>5</sup> It should be noted that senior managers still consistently referred to “disconnections”. This could either be a sign of the relatively recent shift in policy or a recognition that the outcome is qualitatively

fact that her tap is left open for the vast majority of the day in order to collect water.

She describes the situation:

*It takes about one hour to fill 10-15 litres. In some houses it's a little better but in others it's just as bad. I just put a big bucket under the tap and hold water in this. I flush the toilet with water from my washing. I did go to the Metro about this but they took no notice. I applied for it [the restrictor] myself but didn't know it would be like this. Other people just open it in their own way [through acts of vandalism] but I'm scared to do this myself.*

Such situations emphasise the contradictions of eThekweni Water Services' current policy, whereby residents are forced to restrict their water supplies to a level that is threatening to their own personal health. Community workshops reported many similar situations. Some residents noted how they would leave the house for an hour and return to find the bucket they had left under the tap still not full. Others discussed the difficulties of dividing such a small amount of water between all household tasks. Others noted the disparities between the levels the trickler was meant to provide and the actual amount received.

In an interview with Macleod in early 2003, he confirmed that 800 to 1000 "disconnections"<sup>6</sup> were taking place across the municipality daily, amounting to roughly 4-5,000 per week, affecting as many as 25,000 people. Some of these households have their flow restored, but the problem of under-consumption of water due to water restrictors is clearly widespread in Durban.

"Flow limiters" offer a more advanced (but often even less reliable) alternative. These operate electronically and shut the flow off to an individual household after a certain volume has been delivered. Several of the households interviewed understood this

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similar

device to be working on a timer, shutting off the supply at 9:00 in the morning for example (interviews, KwaMashu C). In fact, the limiter was restricting supplies to 200 litres per day and shutting water flow off after this has been consumed. The breakdown in communication as to how the system was operating was creating its own set of problems for residents as they rushed to consume what was actually a volumetric measurement, creating any early cut-off time.

Both the flow limiters and flow restrictors are far more prevalent in formal township areas than in the informal areas or new subsidised housing developments in the city. But households in formal townships have received a piped supply of water for far longer than most others, so the anger and resentment is often more forthright.

Community meetings were frequently more explosive with households in these areas, demanding answers to their questions over bills, restrictions and disconnections. The following quotes capture some of this anger and anguish:

*They can't put me in jail...can't put me in jail. They told me to pay 70 something. They will think we've been playing with the water. My pension is R600 and the bill is R400. How can I pay this?*

*I'm the only person who deals with it and I'm a pensioner. Yes, we were disconnected once for a long time and borrowed water from neighbours. I have been to the Metro in KwaMashu to discuss bills. We're just washing ourselves and flushing the toilet. Before it wasn't really an issue how much you used. Now I'm trying to think of the 1,000s. I don't know what I'll do about the high bills.*

Payment problems were some of the most common at meetings. Again, this is the reason generally cited by the municipality for having to restrict supplies. It is true, from billing records, that some in KwaMashu C are consuming much more than the average throughout Durban (and as a result much more than they can afford). This is

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<sup>6</sup> Presumably, he meant by this that tricklers are being put in place.

somewhat curious though, given the lack of gardens, swimming pools or cars. Much of the higher consumption can be attributed to larger household sizes. It should also be noted that census data often fails to reflect true household size because of the highly mobile populations. Thus, some families are falling into the 12-30Kl/month tariff block and others are even falling into the 30Kl + block. As a result, they find that their bills get rapidly out of hand. One township family had amassed arrears of R30,000 and many examples of arrears of over R10,000 were encountered. The large increases in rates above 30Kl hit these residents incredibly hard, and with many lacking any income or relying on a meagre pension, the situation becomes impossible. To put this in context, 54% of households in KwaMashu C have an income of less than R18,000 per year, 12% lack any income (Urban Strategy 2001). Problems are compounded by the leaky plumbing many have within their properties. Although the municipality offers the service of a plumber to inspect for leaks for R200, this is well beyond the means of many households. The newly imposed restrictions are also creating a strange catalytic effect on the bills of others. Rather than simply creating an atomised problem for individual households to have to deal with, households have to beg, borrow or steal water from others in order to have any access. This pushes the bills of other residents up and creates a spiral of arrears in which more and more find themselves having to manage an escalating household debt.

In an interview, Macleod argued that these problems remained ones of “a culture of entitlement in which people don’t respect the economic value of water” (interview, March 26, 2003). There is little evidence to support such claims and it is interesting to note that Macleod bases many of his views on anecdotal evidence such as the prevalence of mobile phones in townships, suggesting to him that residents can afford

to pay for water but refuse to do so. More detailed, participatory-type research of the sort carried out for this project reveals a different picture—one in which poorer residents are painfully aware of the economic value of water but unable to cope with the rising arrears they have amassed.

For the moment, the greatest of these problems are felt by residents of formal townships. The difference in most informal areas and new, subsidised housing projects is that supplies are automatically “regulated” because of the mode of delivery being installed. Almost without exception, residents in these areas will get their water from a free water standpipe, a groundtank or a semi-pressure tank. Although not explicitly developed to provide a more limited quantity of water to poorer households, the semi-pressure tank has this effect by reducing the pressure of the water to households and restricting the volume that can be obtained over a certain period. The ground tank (when operating as intended) limits household consumption to a fixed 200 litre per day allowance. Free water standpipes limit consumption because of the limited capacity of the human body to carry loads of water.

### **Relationships between eTWS and its Bulk Water Provider**

*People, Planet, Profit.* Umgeni Water’s “Triple bottom line” ( Umgeni Water 2002, 1)

We turn now to look at the broader context within which eTWS operates; specifically its relationship with its bulk water supplier, Umgeni Water. Here, I argue that the structural constraints imposed by Umgeni ensure that progressive developments for poorer residents will fail.

Since 1983, Durban has been required to buy its water supplies from the Umgeni Water Board. Ostensibly created to mediate between different users of the Umgeni River basin, this water board has acquired substantial powers in determining the tariff Durban will be required to set for end users. Much of the bulk water infrastructure managed by Umgeni Water is actually owned by the national government which also plays an important role in selecting the members of the board. A complicated relationship has thus developed between the national and local governments with the third party mediator causing many of these problems. Most recently, Umgeni Water has appeared in the national papers owing to a series of corporate scandals and financial mismanagements and its relationship with the two large municipalities it serves (Durban and Pietermaritzburg) has almost reached breaking-point. Tariff increases passed on to the municipalities are largely seen as unjustifiable and more a result of Umgeni's attempts to commercialise than any real increases in the production costs of water.

Throughout much of the last century, the municipality, advised by its City Engineer's Department, fought the creation of a water board to supply its bulk water (see, for example, Kinmont (1959)). When the Umgeni Water Board was finally created in the 1970s (with Macleod's father the head of Durban's water services at the time), the entity seemed to have much more to do with the apartheid state's need to justify its Bantustan creations than it did with sound water management. As Macleod is still keen to stress, the decision was clearly political. A third party was needed to intervene in the sale of water to KwaZulu if the future state's "independence" was not to be revealed as a hollow sham—a state, after all, could not be seen to be buying water from a city. The Umgeni Water Board would fulfil this third party function, in spite of

the fact that Durban had built up its own bulk water works over the previous century—its water engineers being elevated to something of local hero status (an excellent example of this is in the City Engineer’s Department centennial publication, gloriously titled *They Built a City* (Lynski 1982)).

After long, drawn-out negotiations, the water board finally acquired all of Durban’s bulk water infrastructure in 1983. The amount paid for the works was high and reflected not only the value Durban placed on its bulk water infrastructure but also the bitterness and sense of victimisation it felt at the hands of a National Party government it claimed to reject. Initial government investments of the value of Durban’s infrastructure put the figure at R13 million but the water board was to pay R274 million (interview, Neil Macleod, March 26, 2003). Not surprisingly, Umgeni was soon in serious debt.

As Durban’s townships were then “handed over” to the KwaZulu administration in 1986, a bizarre system developed. The Umgeni Water Board would sell bulk water supplies to Durban, this would be reticulated through the municipality’s network and then, at the newly defined border, water would be sold back to the board so that it could be sold on to the KwaZulu administration. In KwaZulu reticulation would take place through a network that, only a few years previously, had been built and operated by the local municipality.

The anomalous nature of Umgeni acquired even greater meaning as its accounting procedures and investment practices switched from being major revenue earners to huge loss generators. Essentially, the managers proved themselves to be skilled at

raising finance but not so skilled at finding productive outlets for investments from the capital they had raised. Periodic crises emerged as it seemed that Umgeni might not be able to keep up its long-term debt repayments. The easiest way out of the periodic slumps they found themselves in was to increase bulk water tariffs. The cost of bulk water to Durban began to soar as a result.

Post apartheid, the 1998 Water Act has allowed water boards to set up commercial subsidiaries. Although these are required to be “ringfenced”, so that risk is not passed on to the parastatal, often the links are far more blurred. The losses incurred by either the public or the private part can therefore have serious effects on the partner organisation. It is largely with this in mind that I refer to the commercialisation of Umgeni Water, although its continued ability to access cheap finance on the private markets and its need to service debt repayments on these should be seen as a closely-related problem. Thus, still searching for good areas for investment in order to keep up repayments on its long term debt, Umgeni Water was quick to set up a commercial subsidiary, which—following Mbeki’s “African Renaissance” vision—set about expanding operations into Nigeria. Umgeni Water’s stated (and rather over ambitious to say the least) aim is to become the “leading water services provider in the South” (Umgeni Water 2002, 4). By 2002, it had operations planned or functioning in Algeria, Botswana, Ethiopia, Ghana, Lesotho, Malawi and Rwanda (although the vast majority of these were subsequently cancelled at a major loss to Umgeni (Umgeni Water 2003)). Water Minister Ronnie Kasrils praised Umgeni for according so closely with what he understands to be the African Renaissance (Kasrils 2000b) and Umgeni frequently cited the opportunities opened up by the New Partnership for African Development as a major driving force for their imperial ambitions (Umgeni Water

2002, 4). Under radically different national governments, Umgeni Water has thus come to be used as a tool for pursuing quite distinctive political agendas. On top of the international ventures, Umgeni Water has been a major player in the market for rural water contracts in KwaZulu Natal. These have exacerbated its financial woes still further and provided an additional source of tensions with the municipalities who are now responsible for taking over the losses incurred on Umgeni's highly inefficient projects.

With a potentially loss-making commercial venture on top of the anomalous water board, tensions with the municipality increased once again. It began to look like high tariffs at home would be financing the risky commercial ventures abroad. The Durban consumer, some argued, would be held responsible for this risk. When, in 2001, Umgeni Water tried to impose a 22% price increase on bulk water supplies, Durban and Pietermaritzburg rebelled. This, they argued would lead to a 28% increase to households within their constituencies (Mhlanga 2001), something which neither municipality was able or prepared to bear. The link between Umgeni's faltering investments outside of bulk supply and the increases passed on to Durban is made explicit in the 2001/2 Annual Report for Umgeni, which stated that "It is the costs relating to these rural schemes that have resulted in the 19.5% tariff increase (reduced from the initial 22.3% due to Umgeni Water cost-cutting and efficiency achievements) for the 2001/2002 year. Without the cost burden of these schemes, Umgeni Water would have been able to pass on an increase of 8%" (Umgeni Water 2002, 29).

Part of the subsequent pressure on the municipality to resist these increases came from the threat (whether real or not) that a large number of Durban's textile manufacturers would almost instantly relocate if the tariff increase was imposed (interview, Colin Butler April 17, 2003). Links between eTWS and the Chamber of Commerce had traditionally not been confrontational and in this instance they seemed able to form an alliance against Umgeni (an alliance which appeared not for the direct benefit of the poorest of the city, it should be noted). Their position was supported by a Halcrow report prepared for eTWS, and mentioned frequently in interviews, which is said to have claimed that a 30% reduction in costs could be passed onto the Durban public if the system was rationalised into a single tier (interview, Neil Macleod March 26, 2003). The pressure worked and Umgeni was forced into a retreat, lowering the increase to 19.5% and then keeping it fixed to the rate of inflation from then on. On top of this, various threats seem to suggest that its days as a separate utility could be numbered if such financial mismanagement continues. Whispers of a potential rationalisation of Durban's bulk water supply into a single tier system began to spread. The ears of Vivendi pricked up once again, as it seemed that a single entity could offer a much more lucrative contract (interview, Eric Tranchent, November 5, 2002).

Nevertheless, eThekweni Water Services cannot lay all of the blame for unaffordable bills in townships on its bulk water provider. Whereas average bills are undoubtedly higher because of the presence of this semi-commercial bulk water provider (and restrictions therefore more prevalent), there is still greater scope for redistributing the burden of these increases away from the least vulnerable within the municipality through cross subsidisation. The presence of Umgeni has limited the options available

to the municipality, but given the acquiescence of eTWS to the demands of industry, as opposed to the needs of poorer residents, Umgeni's dissolution would unlikely resolve the affordability crisis of low-income households in Durban.

Even though both eThekweni Municipality's city manager and Neil Macleod stated in interviews that they would be in favour of a single entity providing both bulk water and reticulation in the municipality, the fate of Umgeni Water is far from sealed. The arrival of a more conciliatory head at Umgeni—Gugu Moloi—may also mean a more collaborative approach to operations.

### **The Spectre of Privatisation?**

Within South Africa's current neoliberal climate both Umgeni Water and eThekweni Water Services are forced to be increasingly competitive. Whereas one strategy available to Umgeni was to attempt to transform itself into a sub-imperial water multinational, Durban has found itself competing with separate municipalities for the location of textile production and other water intensive industries (Durban also has a large paper mill). eTWS also needs to prove itself against both Umgeni Water and other multinational water providers who are themselves keen to stress that they could do the job of providing water for cheaper. Privatisation is clearly a spectre that haunts. But how real is the threat?

Certainly, in the late 1990s it looked like a major concession contract with a large multinational was a real possibility in the city. The Business Partners for Development pilot project in Inanda and Ntuzuma, begun in 1998, looked like a clear testing of the waters in Durban by Vivendi. A wastewater recycling plant was also

constructed by a Vivendi subsidiary as part of a Build Operate Own and Transfer contract signed in 1998. As late as 2002, representatives from Vivendi were still talking of the possibility of a major concession contract in Durban (interview, Eric Tranchent, November 5, 2002).

However, much of this threat now seems to have receded, both because of the insecure environment in which many large water multinationals realise they are now operating in countries in the south, and in view of the real possibility that major contracts might collapse in Buenos Aires, Jakarta and other major Third World cities. Potential profits now seem far less secure. In addition to this, senior officials in the private sector are quoted as citing apparent labour militancy in South Africa as a reason for not wishing to enter into further major concession contracts (World Bank 2001). A final, more subtle, factor is associated with the fact that many public service providers have already learnt to act like private sector providers. As a result, for some local councillors, the attraction of a multinational coming to run the water services of Durban has lost much of its shine over the last few years. Both the current city manager and representatives from the water company stated that they could see little or no reason for a major concession contract when they felt that the city's engineers could run the service better on their own (interviews, Reg Bailey, September 5, 2002, February 14, 2003; interview, Mike Sutcliffe, September 19, 2002). The stringent cost-recovery measures implemented by eTWS provide ample testimony to this. Instead, corporatisation seems to have become something of a sought after Third Way for the bureaucrats at eThekweni Water Services and city council. Thus, multinationals still act as something against which eTWS appears benchmarked, but the reality of a large privatisation contract with such a multinational is distant

## CONCLUSION

*I pondered all these things, and how men fight and lose the battle, and the thing that they fought for comes about in spite of their defeat, and when it comes turns out not to be what they meant, and other men have to fight for what they meant under another name. William Morris.*

Durban led the way in South Africa in developing a free basic water policy. The manner in which this has been introduced and the external pressures exerted on the municipality have produced paradoxical results. For some, it has meant the ability to access a free supply of clean water for the first time in their lives. For others, it has meant the escalation of bills, a closer surveillance of the amount consumed and the restriction of supplies to a level barely enough to survive on.

Commercialisation has been taking place most overtly in the city's bulk water provision. Here, Umgeni Water has entered into several risky commercial ventures and has fallen back on its bulk water sales to make up any short-term losses. The spectre of privatisation and the competitive environment in which both Umgeni Water and eTWS are now having to operate has fostered a business-minded logic that provides little space for the isolated and poor household unable to pay its bill. Within the local state, the need to be both developmental and cheap—whilst at the same time fostering an environment conducive to industrial investment—has produced its own set of contradictions. The paradoxical effects of the free water policy can thus be seen as an outcome of this particular choreography of power relations. A right to water is thus accompanied with a clampdown on many households' access to water. To some extent, the recognition of this has helped to reconfigure the direction in which some are taking a struggle to ensure their access to water is guaranteed. This implies a shift

away from a struggle that fetishises water yet further and urges a transformation of the social relations that daily reproduce inequality in Durban.

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## **Interviews**

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Dom Magubane, Community Liason Officer, eThekwini Water Services, September 9, 2002

Neil Macleod, Executive Director, eThekwini Water Services, March 26, 2003

Colin Butler, Durban Chamber of Commerce, April 17, 2003

Eric Tranchent, Project Manger, Vivendi, November 5, 2002 (conducted by Fiona Lumsden)

Michael Sutcliffe, City Manager, eThekwini Municipality, September 19, 2002

### **Community Workshops**

Amaoti, January 16 2003

Amatikwe, January 26, 2003

Bhambayi, March 6, 2003

KwaMashu Section C, March 3, March 10, May 20, 2003

### **Household Interviews**

Conducted throughout Amaoti, Amatikwe, Bhambayi, KwaMashu C and Mzinyathi over the period January to May 2003.