

Anti-capitalist community resistance to energy privatization and carbon markets in South Africa

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Abstract

In South Africa, a massive energy crisis broke out in early 2008, following long-running battles between community organizations and state electricity suppliers, and at the same time a fierce debate arose over how to address climate change. The lessons we draw are that en route to a renewable energy future, the leading social forces can amplify campaigning for 'decommodification' (free basic electricity as a human right) and 'deglobalization' of capital within the energy sector, by highlighting multinational corporate abuse of state resources, especially cheap electricity. These campaigns might follow other inspiring social movements which have won access to AIDS medicines and repelled water privatisation. The need for a South African red-green politics that links cheaper consumption of basic-needs electricity – especially by low-income people (in contrast to gluttonous smelters and mines) – to the production of electricity in massive coal-fired generators (to be augmented by nuclear in coming years) will challenge radical social movements like the Soweto Electricity Crisis Committee, Earthlife Africa and the Energy Caucus (a left-leaning network of civil society groups). A small new political party – the Socialist-Green Coalition– even emerged from the left social movements, reflecting the need for red-green fusion. Will these forces advance towards a red agenda of higher free lifeline electricity consumption for the masses, to a reversal of SA's CO₂ emissions, via renewable electricity both on- and off-grid?

Introduction

In spite of South Africa's alleged 'economic boom',¹ the harsh socio-economic realities of daily life actually worsened for most when racial apartheid was replaced by class apartheid in 1994. That process occurred in the context of a general shift to

1. Russell, A. (2007), 'Post-apartheid phase two: Zuma's leadership of the ANC needs to prove sceptics wrong', *Financial Times* 19 December; MacNamara, W., A. Russell and W. Wallis (2007), 'Post-apartheid phase two', *Financial Times*, 20 December.

global neoliberal power, instead of prior Keynesian eras in which middle-income countries like South Africa were permitted to build an industrial base and balance their economies through inward oriented strategies.

Hence South Africa suffered enormously from neoliberal policies imposed by the governments of Nelson Mandela and Thabo Mbeki, such as

- an immediate post-apartheid rise in income inequality, which was slightly tempered after 2001 by increased welfare payments, but which meant the Gini coefficient soared from below 0.6 in 1994 to 0.72 by 2006 (0.8 if welfare income is excluded);²
- the official unemployment rate doubled (from 16% in 1994 to around 32% by the early 2000s, falling to 26% by the late 2000s - but by counting those who gave up looking for work, the realistic rate is closer to 40%) as a result of imported East Asian goods in relatively labour-intensive sectors (clothing, textiles, footwear, appliances and electronics) and capital-/intensive production techniques elsewhere (especially mining and metals); and
- ecological problems became far worse, according to the government's own commissioned research in the 2006 'Environmental Outlook' report, which according to the leading state official, 'outlined a general decline in the state of the environment'.³

Social unrest and the rise of social movements reflect the discontent: there were 5813 protests (as defined under the Regulation of Gatherings Act 205 of 1993) recorded by the SA Police Service in 2004-05, and subsequently, an average of 10,000 per annum,⁴ with higher amounts for the year 2007-08 anticipated as a result of the country's longest-ever public servants' strike. This is probably the highest per capita rate of social protest in the world. By mid-2008, it was evident that the protests could as easily be directed against fellow community residents – especially if they hailed from outside South Africa – as against the genuine sources of their problems. Along with rising domestic violence and the AIDS pandemic, the xenophobia wave was perhaps the worst case of the tearing South African social fabric.

Matters will not improve, in part because of macroeconomic trends. The most severe problem is the vulnerability that South Africa faces in hostile global financial markets, given the 2008 current account deficit of 9% of GDP, one of the world's worst. It is also highly likely that investment and economic activity will be deterred by ongoing electricity load-shedding, given that it will take a

2. Joffe, H. (2008), 'Growth has helped richest and poorest', *Business Day*, 5 March.

3. <http://www.info.gov.za/speeches/2007/07062911151001.htm> Other problems especially in the economy are described at Bond's 2009 *Development Dialogue* article, 'Realistic Post-Neoliberalism: A View from South Africa,' <http://www.dhf.uu.se>

4. Nqakula, C. (2007), 'Reply to Question 1834, National Assembly, 36/1/4/1/200700232', Cape Town, 22 November.

generation for sufficient capacity to be added, and that the government confirmed its desire in early 2008 to continue offering a few large smelters and mines the cheapest electricity in the world, instead of redistributing to low-income people.

The electricity generation shortfalls of January-March 2008 which led to consistent surprise 'load shedding' – entire metropolitan areas taken off the electricity grid - were due partly to lack of new capacity built by national power generator Eskom since the early 1990s (when excess capacity had risen to more than 30%), the running down of coal supplies, and rain damage to incoming coal. But the main reason was the increased electricity consumption of metals smelters due to the 2002-08 speculative uptick in commodity prices. Indeed, even earlier, the economy's five-fold increase in CO₂ emissions since 1950, and 20 per cent increase during the 1990s, can largely be blamed upon supply of the world's cheapest electricity by Eskom to mining houses and metals smelters.

Emitting twenty times the carbon tonnage per unit of economic output per person than even the United States, South African capital's reliance upon fossil fuels for energy is scandalous. Not only are vast carbon-based profits fleeing to the mining houses' offshore financial headquarters (especially Anglo in London and BHP Billiton in Melbourne). There are very few jobs in these smelters, including at a proposed \$2.5 billion aluminium project for which the notorious Rio Tinto was promised lucrative sweetheart deals from Eskom, the Department of Trade and Industry and the Industrial Development Corporation. Less than 1000 jobs will be created if that smelter goes ahead, though it will consume more electricity than the entire city of nearby Port Elizabeth, SA's fifth largest, and it was temporarily shelved in mid-2008 due to the prospect of sustained power shortages and confusion surrounding the parent company's proposed merger with BHP Billiton (which ultimately failed to occur). Instead of cutting back on these sorts of projects, and turning the subsidies to renewables, the government decided to augment coal-fired generation with dangerous, outmoded Pebble Bed technology (rejected by German nuclear producers some years ago). Renewable sources like wind, solar, wave, tidal and biomass are the only logical way forward for this century's energy system, but still get only a tiny pittance of government support.

In the face of renewed energy apartheid being generated through old-fashioned crony-capitalist power relationships, there were, in contrast, other more optimistic signs of social grievances channeled through self-activity of the masses, especially in Soweto, alongside more usual 'civil society' activities: policy advocacy, public conscientisation, international alliance-building and even the court system. These signs correspond to what Karl Polanyi termed a 'double movement' in which, initially during the 19th century in Europe, 'the extension of the market organisation in respect to genuine commodities was accompanied by its

restriction⁵ as people defended their land, labour and other resources from excessive commodification. Most notably, the Treatment Action Campaign's 1998-2008 street pressure and legal strategy led to acquisition of anti-retroviral drugs – produced locally (generically) and available free at public clinics - for half a million HIV+ people by 2008; a decade earlier they would have had to pay \$15,000/year for the treatment, with profits going to Big Pharma brand-holders.

Another example was the Campaign Against Water Privatisation, whose core group was a coalition of urban community groups, Johannesburg's Anti-Privatisation Forum. Supported by two NGOs with legal and advocacy expertise, the Freedom of Expression Institute and Centre for Applied Legal Studies, this network carried out dramatic protests but also embarked upon a careful legal strategy that took residents from Phiri township in Soweto to the Johannesburg High Court in 2007.

Their opponent was the Paris firm Suez, the world's second largest water company, which arrived in Johannesburg in 2001. Suez's response to poverty was a project of widespread water disconnections. At peak in early 2002, just before community resistance became an effective countervailing force, Johannesburg officials were disconnecting more than 20,000 households per month from power and water, and then Suez turned to self-disconnecting 'prepayment meters' that force residents to pay upfront or face a cut-off.⁶ High Court judge Moroa Tsoka ruled (on 30 April 2008) that imposing credit control in this manner 'in the historically poor black areas and not the historically rich white areas' was racist, and that Suez's community consultation process was 'a publicity stunt' characterised by a 'big brother approach'. He ordered a prohibition on the meters, and also doubled the supply of free water supplied by the city to 50 litres per person per day.

Because Suez's reign in Johannesburg was rife with social conflict and also generated strife within the council, the company's contract was not renewed in 2006. Once the Johannesburg mayor and national Department of Water Affairs and Forestry appealed the High Court judgement, the Soweto residents began destroying the hated prepayment meters (via illegal piping bypasses) to pressure authorities into heeding the High Court judgement. Hence in this case, as well as AIDS treatment, the operative strategies were based on the decommodification of a crucial public service, and deglobalization of capital so as to foil firms aiming to maximise profits via supplying services in an overpriced and differential way.

Power to the people

How would these principles work in terms of struggles over electricity and energy more generally? The ordinary Sowetan working-class electricity

5. Polanyi, K. (1957), *The Great Transformation*, Boston, Beacon Press, p.76.

6. *Sunday Times Gauteng Metro*, 19 May 2002.

consumer is a good case study, because of extraordinary political mobilisations that have occurred in the Johannesburg 'South Western Townships' (Soweto), including the student rising of 1976. In the same spirit, using the same rhetorics and songs, a new movement against extreme electricity price increases arose in 2000, the Soweto Electricity Crisis Committee.

Those price increases followed much higher municipal utility rates due to dramatic declines in central-local state subsidies designed to cover operating/maintenance expenses during the 1990s (85% in real terms, according to the Finance and Fiscal Commission). As a result, a conservatively estimated ten million people were victims of electricity disconnections. Pretoria's national record of municipal 'credit control' statistics showed that 60% of the disconnections were not resolved within six weeks. That, in turn, confirmed that the blame lay with genuine poverty, not the oft-alleged 'culture of non-payment' as a hangover of anti-apartheid activism. Likewise, of 13 million given access to a fixed telephone line for the first time, ten million were disconnected due to unaffordability. Naturally, the bulk of suffering caused by the rescinding of vital state services was felt most by women, the elderly and children.

Ultimately these problems are the outcome of neoliberal capitalism. But by and large, the state's post-apartheid urban policies amplified rather than counteracted the underlying dynamics of accumulation and class division. This process began before apartheid was overthrown, in a 1986 *White Paper on Energy Policy* which called for the 'highest measure of freedom for the operation of market forces', the involvement of the private sector, a shift to a market-oriented system with a minimum of state control and involvement, and deregulation of pricing, marketing and production. After apartheid was replaced in 1994, similar language was found in the *Urban Development Strategy* (1995), the *Municipal Infrastructure Investment Framework* (1997 and 2001), and the *Energy White Paper* (1998). The latter called for 'cost-reflective' electricity tariffs so as to limit any potential subsidy from industry to consumers.

Asked why cross-subsidization of electricity prices to benefit the poor was not being seriously considered, the state's leading infrastructure-services official explained in 1996, 'If we increase the price of electricity to users like Alusaf [a major aluminium exporter owned by BHP Billiton], their products will become uncompetitive and that will affect our balance of payments'.⁷ (Alusaf pays approximately one tenth the price that retail consumers do, and the ecological price of cheap power - both at the site of production and in the coal-gathering and burning process - is not factored in, which in turn contributes to South Africa's extreme culpability for global-warming and damage done to the citizenry and economy through local pollution.)

Rising electricity prices across South African townships had a negative impact during the late 1990s, evident in declining use of electricity despite an increase in

7. *Mail and Guardian*, 22 November 1996.

the number of connections. According to Statistics South Africa, households using electricity for lighting increased from 63.5% in 1995 to 69.8% in 1999. However, households using electricity for cooking declined from 55.4% to 53.0%, and households using electricity for heating dropped from 53.8% in 1995 to just 48.0% in 1999. The state agency conceded a significant link between decreasing usage and the increasing price of electricity.⁸ Most poor South Africans still rely for a large part of their lighting, cooking and heating energy needs upon paraffin (with its burn-related health risks), coal (with high levels of domestic household and township-wide air pollution) and wood (with dire consequences for deforestation). Women, traditionally responsible for managing the home, are more affected by the high cost of electricity, and spend greater time and resources searching for alternative energy. Ecologically-sensitive energy sources, such as solar, wind and tidal, have barely begun to be explored, notwithstanding the enormous damage done by South Africa's world-leading addiction to fossil-fuel consumption.

The 1994 Reconstruction and Development Programme (RDP) mandated higher subsidies, but far stronger continuities from apartheid to post-apartheid emerged thanks to neoliberal pricing principles and the consequent policy of mass disconnections, preventing the widespread redistribution required to make Eskom's mass electrification feasible. As protests began in earnest from 1997 and the African National Congress witnessed rising apathy before the 2000 municipal elections, the ruling party introduced a 'Free Basic Services' monthly package of 50 kWh of electricity per household, but it proved far too little, and if anything, disconnections actually increased.

Eskom continued to be a target of criticism, especially from environmentalists who complain that coal-burning plants lack sufficient sulphur scrubbing equipment and that alternative renewable energy investments, especially in solar and wind power, have been negligible. Moreover, labor opposition mounted. Having fired more than 40,000 of its 85,000 employees during the early 1990s, thanks to mechanization and overcapacity, the utility tried to outsource and corporatize several key operations, resulting in periodic national anti-privatization strikes by the trade union federation.

But it was in Soweto that the resistance became world famous. In 2001, domestic consumers paid an average price to Eskom of US\$0.03 cents per kWh (Sowetans paid much higher average prices), while the manufacturing and mining sectors paid only half that amount. Two years earlier, in 1999, Soweto residents had experienced three increases – amounting to 47% - in a short period as Eskom brought tariffs in line with other areas.⁹ Such changes in tariffs reflected the move towards 'cost reflectivity' and away from regulated price increases, in order to

8. Statistics South Africa (2001), *South Africa in Transition: Selected Findings from the October Household Survey of 1999 and Changes that have Occurred between 1995 and 1999*, Pretoria, pp.78-90.

9. *Star*, 15 July 1999.

reduce and eventually eliminate subsidies, so as to achieve 'market-related returns sufficient to attract new investors into the industry', as Eskom put it that year.¹⁰

When prices became unaffordable and payment arrears began to mount, Eskom's first strategy was disconnection and repression. Eskom decided in early 2001 to disconnect those households whose arrears were in excess of \$800, with payment more than 120 days overdue. An anticipated 131,000 households in Soweto were to be cut off due to non-payment, according to Eskom - even though the company had only 126,000 recorded consumers in the township.¹¹ In addition, Johannesburg Metro authorities decided, in an act of solidarity, to cut off water and then begin eviction proceeds through sheriff sales, in an attempt to pressure people to pay Eskom arrears.¹² A survey of Soweto residents found that 61% of households had experienced electricity disconnections, of whom 45% had been cut off for more than one month. A random, stratified national survey conducted by the Municipal Services Project and Human Sciences Research Council found that ten million people across South Africa had experienced electricity cutoffs.¹³

The impact of disconnections can be fatal. One indication of the health implications of electricity denial and of supply cuts was the upsurge in TB rates, as respiratory illnesses are carried by particulates associated with smoke from wood, coal and paraffin). Because of climate and congestion, respiratory diseases are particularly common in Soweto. In a 1998 survey, two in five Sowetans reportedly suffered from respiratory problems, 2% from TB, 4% from allergies, 0.5% from cancer and 10% from other infections. More than a fifth of council-house dwellers described their health as bad. Lost working days resulted: 5% took 1-2 days off each year to recover; 9% took 3-5 days; 6% took 6-7 days; and 15% needed more than 8 days.¹⁴

Survey respondents reported many fires in the neighbourhood, often caused by paraffin stoves, many of which were harmful to children. Eskom's disconnection procedures often resulted in electricity cables lying loose in the streets.¹⁵ Residents were unhappy not only about the high reconnection fees charged but the fact that Eskom uses outsourced companies that earn \$10 per household disconnection. No notification was given that supply would be cut off, and residents were not given time to rectify payments problems. Eskom can disconnect entire blocks at a time by removing circuit breakers, penalizing those

10. Eskom (2001), *Annual Report 2001*, Megawatt Park, Johannesburg.

11. Eskom (2001), 'Eskom Targets Defaulters', Press statement, Megawatt Park, 27 February.

12. *Saturday Star*, 10 March 2001; *Star*, 17 May 2001.

13. McDonald, D. (2002), 'The Bell Tolls for Thee: Cost Recovery, Cutoffs and the Affordability of Municipal Services in South Africa', Municipal Services Project Special Report, http://qsilver.queensu.ca/~mspadmin/pages/Project_Publications/Reports/bell.htm.

14. Morris, A. B.Bozzoli, J.Cock, O.Crankshaw, L.Gilbert, L.Lehutso-Phooko, D.Posel, Z.Tshandu, and E.van Huysteen (1999), 'Change and Continuity: A Survey of Soweto in the late 1990s', Department of Sociology, University of the Witwatersrand, pp.34-35,41.

15. In a shack settlement outside Cato Manor in Durban, this problem caused the death of 11 children in 2001 (*Mail & Guardian*, 16-22 March 2001).

who do pay their bills along with those who don't. All these grievances proved the raw material from which the Soweto Electricity Crisis Committee (SECC) and its Operation Khanyisa emerged.

Social resistance to commodified electricity

The SECC was formed in June 2000, through a series of workshops on the energy crisis, followed by mass meetings in the township. Operation Khanyisa ('light up') allowed for mass reconnections by trained informal electricians. Within six months, over 3,000 households had been put back on the grid. The SECC turned what was a criminal deed from the point of view of Eskom into an act of defiance, and also went to city councillors' houses to cut off their electricity, to give them a taste of their own medicine, and to the mayor's office in Soweto. SECC were soon targeted for arrest, but five hundred Sowetans marched to Moroka Police Station to present themselves for mass arrest; the police were overwhelmed. By October 2001 Eskom retreated, announcing a moratorium on cut-offs. The SECC announced 'a temporary victory over Eskom, but our other demands remain outstanding':

- commitment to halting and reversing privatization and commercialization;
- the scrapping of arrears;
- the implementation of free electricity promised to us in municipal elections a year ago;
- ending the skewed rates which do not sufficiently subsidize low-income black people;
- additional special provisions for vulnerable groups - disabled people, pensioners, people who are HIV-positive; and
- expansion of electrification to all, especially impoverished people in urban slums and rural villages, the vast majority of whom do not have the power that we in Soweto celebrate (SECC 2001).

The *Washington Post* took up the story in a front-page article in November 2001:

SOWETO, South Africa -- When she could no longer bear the darkness or the cold that settles into her arthritic knees or the thought of sacrificing another piece of furniture for firewood, Agnes Mohapi cursed the powers that had cut off her electricity. Then she summoned a neighborhood service to illegally reconnect it.

Soon, bootleg technicians from the Soweto Electricity Crisis Committee (SECC) arrived in pairs at the intersection of Maseka and Moema streets. Asking for nothing in return, they used pliers, a penknife and a snip here and a splice there to return light to the dusty, treeless corner.

‘We shouldn’t have to resort to this,’ Mohapi, 58, said as she stood cross-armed and remorseless in front of her home as the repairmen hot-wired her electricity. Nothing, she said, could compare to life under apartheid, the system of racial separation that herded blacks into poor townships such as Soweto. But for all its wretchedness, apartheid never did this: It did not lay her off from her job, jack up her utility bill, then disconnect her service when she inevitably could not pay.

‘Privatization did that,’ she said, her cadence quickening in disgust. ‘And all of this globalization garbage our new black government has forced upon us has done nothing but make things worse. . . . But we will unite and we will fight this government with the same fury that we fought the whites in their day.’

This is South Africa’s new revolution.¹⁶

A few weeks later, ANC Public Enterprises Minister Jeff Radebe visited Orlando Hall in Soweto to offer a partial amnesty on arrears, which the SECC declined as inadequate. The focus then moved to fighting prepayment meters. From the SECC and similar campaigns emerged an umbrella group, the Anti-Privatization Forum. Its funders included War on Want and the Public Welfare Foundation. Research support came from service organizations such as the Alternative Information and Development Centre, and the Municipal Services Project based at the University of the Witwatersrand and Queens University (Canada).

How serious a threat was the SECC at this stage? The ruling party’s main intellectual journal, *Umrabulo*, carried a 2003 article by Tankiso Fafuli (later to become ANC councilor for Pimville), that gives a flavour of the challenge:

On the 24th September 2001 the Soweto Electricity Crisis Committee convened a rally at Tswelopele hall in Pimville zone 7. A wave of agitation permeated through the gathering, which influenced the attendants to march to councillor George Ndlovu’s house in ward 22. Councillor Ndlovu with his family was held at ransom and the electricity box of his house was ransacked... The incident prompted the branches of the ANC in both wards to convene a special joint forum in the evening wherein a vigorous debate ensued on the political challenges posed by SECC... [which] has successfully earned the respect from the community and thus the ANC could no longer tread willy-nilly in every territory. Particularly when such territory became his own not by residence alone but by virtue of influence... In the initial stages of community mobilization, the key message from these forces was that the ANC in power has not only abandoned its historical constituency (i.e. the working class and poor), but has begun to unleash terror against it. This terror - they argue - is in the form of electricity and

16. Jeter, J. (2001), ‘For South Africa’s poor, a new power struggle’, *Washington Post*, 6 November.

water cuts conducted against the weak and poor. Electricity cuts that intensified during the winter of 2002 were presented as naked savagery unleashed by a liberation movement against its people who are largely destitute... Essentially what is being precipitated is a rise of the working class against the ANC government to confront and alter its unpleasant material conditions. As a result, these struggles have resulted into an open confrontation like the shooting between employees of Eskom and residents of Dlamini in Soweto in the year 2001. Such readiness and agitation for extreme action is encapsulated in Duduzile Mphenyeki's (SECC secretary) statement when proclaiming that 'In every struggle there are casualties'. In explaining Operation Khanyisa the SECC has stated in some of its public forums that people must chase away Eskom 'agents' tasked to cut electricity cables with whatever means necessary and that 'councillors must be made to taste their own medicines'...

The Pimville rally mandated the SECC to expand its scope of demands beyond electricity cuts and to begin to include a demand for houses, a stop to eviction/relocation, and access to free basic water among other issues. This is essentially a call to develop a broad united front that goes beyond SECC and the electricity issue... [The Anti-Privatization] Forum also creates the imperative link between the shop floor struggles against right-sizing (retrenchments), casualization of labour, and the struggles waged against water and electricity cuts in the townships. As a result, the APF synchronizes the struggles waged by SECC, Dobsonville Civic Association (DCA) against electricity and water cuts in Soweto with those fought by among others SAMWU on the shop-floor against retrenchments, as a result of privatization. The APF has been able to show to its participants that they are all fighting a common enemy namely privatization, the brainchild of GEAR. This explains the relationship between the SECC as a community organization and some fragments of trade unionists belonging to affiliates of COSATU. These trade unionists have played key roles in some of the APF campaigns and marches. It is this ability to link these cuts of services and electricity to privatization that creates a strong and broader appeal - not only to ordinary residents but trade unionists, intellectuals, and development activists - and the capacity to make inroads within the frontiers of the Tripartite Alliance.¹⁷

This is an extraordinary admission by a representative of the SECC's most powerful opponent, of the group's community popularity as well as the sophisticated way the new movement expanded its organizing reach and agenda. Subsequent years were spent in issue linkage. The APF and SECC adopted socialism as their 'official' vision, after long debates and stiff opposition

17. Fafuli, T. (2003), 'Beyond dreadlocks and demagogy', *Umrabulo*, 18, June.

from a minority of comrades under the influence of anarcho-autonomism, on the one hand, and on the other hand those with a gradualist formula for building socialist consciousness among the masses.

The World Summit on Sustainable Development (WSSD) in August 2002 also helped raise the SECC's profile. A memorable *Mail & Guardian* front page on 16 August framed elderly SECC stalwart Florence Nkwashu in front of riot police with the headline 'We'll take Sandton!' Two weeks later, the SECC was central to the memorable 30,000-strong march from Alexandra to Sandton, the largest post-1994 protest in South Africa aside from trade union mobilizations. The 'Big March' was roughly ten times larger than one aimed at supporting the WSSD (by the ANC, trade unions and churches) held along the same route later that day.

To the outside observer, that 2002 demonstration was the peak for many of the 'New Social Movements' which had emerged since the late 1990s. For the SECC, there were several years ahead in which attention shifted to water rights, culminating in the victories against prepayment meters and inadequate free supplies in 2008. Meanwhile, the SECC suffered an organisational crisis in 2005 stemming from disputes over leadership style and socialist ideology, leading to the formation of another Soweto group within the Anti-Privatisation Forum.

Another dispute within and around the SECC and APF was whether and how to contest the March 1 2006 municipal election. Across Gauteng, an 'Operation Khanyisa Movement' political party emerged from those APF affiliates which saw in the conversion of civil society to electoral politics, the opportunity to advance and test a socialist program with a mass constituency. The hope was not to defeat the still mighty ANC in any particular ward, but to at least win ward-based proportional representation seats in the Johannesburg city council, from which to launch and sustain yet more intense struggles against the city's neoliberal rulers. One seat was won, but in 2007 the councilor nearly moved to the ruling party in a 'floor crossing' deal, and had to be urgently replaced. By early 2009, Operation Khanyisa Movement had become the core of a broader Socialist Green Coalition, also attempting to raise an electoral profile for the national elections.

Climate privatization

Meanwhile, the SA government's own stumbling attempts to address electricity shortages and the worsening climate crisis provided further opportunities for communities to link energy access and CO2 emissions campaigning. The government appeared so coopted by the Minerals Energy Complex, the phrase that captures the fusion of state, mining houses and heavy industry, especially in beneficiating metallic and mineral products through smelting. As Ben Fine and Zav Rustomjee showed, throughout the twentieth century, mining, petrochemicals, metals and related activities which historically accounted for around a quarter of GDP typically consumed 40 per cent of all electricity, at the world's

cheapest rates.¹⁸ David McDonald updated and regionalises the concept a decade onwards in his edited book *Electric Capitalism*, finding an 'MEC-plus':

Mining is South Africa's largest industry in the primary economic sector and the country has the world's largest reserves of platinum-group metals (87.7% of world totals), manganese (80%), chromium (72.4%), gold (40.1%) and alumino-silicates (34.4%)... South Africa's appetite for electricity has created something of a 'scramble' for the continent's electricity resources, with the transmission lines of today comparable to the colonial railway lines of the late 1800s and early 1900s, physically and symbolically.¹⁹

Eskom fostered a debilitating dependence on the (declining) mining industry, causing a 'Dutch disease', in memory of the damage done to Holland's economic balance by its cheap North Sea oil, which in South Africa's case is cheap but very dirty coal. As one study found, South Africa

- is 'the most vulnerable fossil fuel exporting country in the world' if the Kyoto Protocol is fully extended, according to an International Energy Agency report;
- scores extremely poorly 'on the indicators for carbon emissions per capita and energy intensity';
- has a 'heavy reliance' on energy-intensive industries;
- suffers a 'high dependence on coal for primary energy';
- offers 'low energy prices' to large corporate consumers and high-income households, which in part is responsible for 'poor energy efficiency of individual sectors'; and
- risks developing a 'competitive disadvantage' by virtue of 'continued high energy intensity' which in the event of energy price rises 'can increase the cost of production'.²⁰

As a result, Eskom is amongst the worst emitters of CO₂ in the world when corrected for both income and population size, putting South Africa's emissions far higher than even the energy sector of the United States, *by a factor of 20*.²¹ To deal with this legacy, the government adopted a *Long-Term Mitigation Scenario* in mid-2008, to great fanfare, calling for cuts in CO₂, but only from 2050. Meantime,

18. Fine, B. and Z.Rustomjee (1996), *The Political Economy of South Africa: From Minerals-Energy Complex to Industrialisation*, London, Christopher Hirst and Johannesburg, Wits Press.

19. McDonald, D. (Ed) (2008), *Electric Capitalism*, Cape Town, Human Sciences Research Council Press.

20. Spalding-Fecher, A. (2000), 'The Sustainable Energy Watch Indicators 2001', Energy for Development Research Centre, University of Cape Town, Cape Town.

21. International Energy Agency (2000a), 'CO₂ Emissions from Fuel Combustion, 1971-1998,' Paris; International Energy Agency (2000b), 'Key World Energy Statistics from the IEA,' Paris.

the rollout of at least a hundred billion dollars worth of new coal-fired plants ensued. Moreover, the 2004 National Climate Change Response Strategy endorsed carbon trading, specifically the Kyoto Protocol's Clean Development Mechanism (CDM), declaring 'up-front that CDM primarily presents a range of commercial opportunities, both big and small.' The carbon trading gimmick allows Northern firms to buy World Bank Prototype Carbon Fund investment allowances in CDM projects so they can continue emitting at species-threatening rates, instead of cutting emissions.

The October 2004 'Durban Declaration on Carbon Trading' rejected the claim that this strategy will halt the climate crisis, insisting that the crisis is caused more than anything else by the mining of fossil fuels and the release of their carbon to the oceans, air, soil and living things, and must be stopped at source. By August 2005, inspiring citizen activism in Durban's Clare Estate community forced the municipality to withdraw an application to the World Bank for carbon trading finance to include methane extraction from the vast Bisasar Road landfill, which community activists insisted should instead be closed. The leading advocate, long-time resident Sajida Khan, died two years later, but her struggle to halt the 'privatisation of the air', as carbon trading is known, lives on. The only way forward on genuine climate change mitigation is, of course, leaving fossil fuels in the earth.

Hence 'keep the oil in the soil' and 'leave the coal in the hole' are regular slogans of African energy activists ranging from the South Durban critics of deadly petrol refining in residential communities to the Niger Delta critics of deadly petrol extraction from residential communities. As a Nigerian journalist explained in late 2008:

Human rights activists from across the African continent that converged in Durban, South Africa recently for a conference which was convened by Oilwatch Africa and Groundwork South Africa have warned that Africa is facing another round of colonisation that threatens livelihoods and ecology. The thrust of the conference was the renewed focus on Africa as one of the fastest growing sources of oil and gas for the global markets amidst tightening oil supplies, spike in oil prices, low sulphur content of the oil found in Africa and an equally growing appetite for fuel by emerging global economic powers like China, India and Korea... Nnimmo Bassey, executive director Environmental Rights Action and Friends of the Earth Nigeria included in his presentation entitled 'The Future of Crude Oil is Already History' profiled the environmental degradation in the Niger Delta in the last 50 years, stressing that fallouts of oil exploration include socio-economic displacement of the locals, pollution-induced sicknesses and violent conflicts in the region... Yvonne Yanez, co-ordinator of Oilwatch South America, explained that an initiative on keeping the oil underground, gave participants a vivid description of the devastation that would occur

within the Yasuni Forest Reserve, one of the richest bio-diverse zones currently endangered by the extractive industry in Ecuador. She said Oilwatch International in 2006 adopted the campaign calling for oil in the Yasuni reserve to be left underground; calling on Oilwatch Africa member countries to emulate the Yasuni struggle since the human and environmental costs of fossil fuel extraction far outweighs any gain that accrues from it. Activists from countries such as Ghana, Eritrea, Ethiopia, Mauritius, among others also took time to share their ugly experiences. All were unanimous that oil extraction activities as shown in the cases of the Niger Delta or Angola, South America and several other places have been a curse rather than blessing to the indigenous people under whose soil oil is being tapped.²²

In addition to campaigning against fossil fuel extraction, South African environmental activists insist on higher renewable energy subsidies, to kickstart the solar, tidal and other modes of harnessing the country's vast potential resources. However, as a result of the Minerals-Energy Complex's power and distortion, only a small fraction (less than 10%) of state R&D spending on energy went to renewables since 1994 (compared to 90% for nuclear). In late 2008, the National Electricity Regulator of South Africa offered new 'feed-in tariffs' to encourage private provision of electricity from smaller renewable generation units that could in turn feed their surpluses back to the grid. However, as the World Wildlife Fund SA remarked, the incentive was 'both pathetic and apathetic' because the US\$0.05kWh the state was prepared to pay would not attract the 10 000 GWh in renewable energy by 2013, as established as a policy objective.

Conclusion

Reviewing this complex terrain of energy and social activism leaves us with several conclusions about the prospects for decommodifying electricity for poor people and shifting the generation to renewable production in a red-green synthesis:

- South Africa, already amongst the most unequal countries in the world in 1994, became more unequal during the late 1990s, as a million jobs were lost due largely to the stagnant economy, the flood of imports and capital/energy-intensive investment—and these trends had enormously negative implications for the ability of low-income citizens to afford electricity;

22. Chimeziri, U. (2008), 'Activists demand end to oil exploration in Africa', *Financial Standard News*, 5 October.

- billions of rands in state subsidies are spent on capital-intensive energy-related investments such as new smelters, where profit and dividend outflows continue to adversely affect the currency;
- the price of electricity charged to mining and smelter operations is the lowest in the world;
- a pittance is being spent on renewable energy research and development, especially compared to a dubious nuclear programme;
- greenhouse gas emissions per person, corrected for income, are amongst the most damaging anywhere, and have grown worse since liberation;
- electricity coverage is uneven, and notwithstanding a significant expansion of coverage, millions of people have had their electricity supplies cut as the state provider moves towards commercialisation and privatisation;
- the possibilities of improving gender equity through access to free lifeline electricity are vast;
- for people suffering from the recent upsurge in TB, and indeed for 6,4 million HIV-positive South Africans, the public and personal health benefits of replacing coal, wood or paraffin with electricity are vast; and
- there are other important environmental, segregation-related and economic benefits that flow from clean electricity as a replacement for traditional fuels, which are at present not incorporated into social and financial decision-making, especially when it comes to pricing electricity.

All of these problems are being countered by critiques from civil society. However, most challenging is the lack of constructive *collective* work carried out between the three major activist networks that have challenged government policy and corporate practices: environmentalists, community groups and trade unions. A complicating factor was a nuanced change in power politics that will make such collaboration more difficult in the short term. The dramatic turn-out of the Thabo Mbeki faction of the ruling African National Congress first at the Polokwane party conference in December 2007 and then from government in September 2008 did not appear to derail South African neoliberalism and unsustainable megaproject development. The man most often identified with grandiose multi-billion rand energy and industrial projects, Alec Erwin, resigned as public enterprises minister and was not rehired. The rise of trade union and communist influence in the ruling party may shift public resources towards pro-poor not pro-business projects. All this remains to be seen, but Mbeki's replacement, Jacob Zuma, has sworn to business leaders his intent not to alter existing policies. Power relations are such that Zuma's walk right is far faster than his talk left.

As a result, vast illogical white elephant projects continue. In addition to Coega (even without a smelter, drawing in many billions in state infrastructure subsidies), four other major outlays of resources are underway: expansion of the Lesotho Highlands Water Project mega-dams; the unnecessarily expensive new and refurbished soccer stadiums for the 2010 World Soccer Cup; the corruption-

ridden R43 billion arms deal; and the R20 billion+ Gautrain fast rail network that will link Johannesburg, Pretoria and the OR Tambo airport, affordable only to elite travellers. To these we can add the Pebble Bed Nuclear Reactors potentially costing hundreds of billions of rands, alongside hundreds of billions more rands spent on coal-fired power plants.

In contrast, activists will have to intensify their work, to get any of the spending the society requires redirected into providing a sufficient minimum free basic supply of electricity, into rolling out the power grid to unserved rural areas as well as to Southern African societies who have long contributed cheap labour to South African mines, and to cutting back CO2 emissions via major state investments in renewables. The Socialist-Green Coalition (see Platform below) was founded in late 2008 with these aims in mind. Small as it is at present, there are important precedents for growth of what were once tiny campaigns. The apparent impossibility of acquiring AIDS medicines from 2000-03 or reversing water privatization in 2006-08 are useful examples, for these are the kinds of challenges that compel South African activists to rise up and shout, "Amandla!" (Power!) – "Awethu!" (To the People!)

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SOCIALIST GREEN COALITION
6 KEY PLANKS OF OUR PLATFORM
ADOPTED BY THE MEETING OF THE 1ST NOVEMBER 2008

Preamble

Our struggle for justice and equality is global. The international crisis of capitalism has seen massive bail-outs of banks and corporations using money from the working class and the poor. Millions of people are breaking with the ideas of the free market and capitalism. We stand in solidarity with all the people across the globe fighting for a world where all forms of exploitation and oppression are eradicated; a world that treats human beings with respect and takes care of nature and the environment – a socialist world.

Power does not come from parliament but from the struggle of the masses fighting for their needs. In uniting as different organizations to contest in the 2009 South African elections we are bound together by the following 6 principles:

1. Government and society must be in the hands of the working class and the masses. End the influence and privileges of the rich and famous. Members of parliament (MPs) must come from, live with and be controlled by those who elected them. MPs must receive a salary equal to the average wage of a skilled worker and be subject to the right of recall.

2. Stop capitalist control of the economy. Nationalise without compensation the banks, the mines, the factories, the corporations and big farms under workers control. Land to the landless. Food for the hungry. Use the country's wealth to address the root causes of poverty and inequality.
3. Free basic services for all. Everyone must get enough water and electricity, decent housing, quality health care, good education, electronic communications, safe reliable transport and an adequate living expenses allowance for the unemployed. The provision of basic services must be done by government and not through privatization.
4. Permanent jobs and a living wage for all. Government must develop public works to meet the needs, improve the lives and living conditions of all people and ensure that decent jobs are created.
5. Everyone must be treated equally with respect and with dignity no matter their race, gender, age, belief, culture, sexual orientation or country of origin. The right to strike, protest and mobilize must be guaranteed to all without any limitations and conditions.
6. Take care of the environment and the people who live in it. Stop pollution, deforestation, fossil carbon emissions, global warming and climate change. Develop and use renewable energy sources. No to nuclear power. Eradicate all the dangers to nature and human life because of capitalist business development.