

# The Crisis of Public Services in Southern Africa

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## Setting the Scene

During the initial years of South Africa's first phase of its post-1990 political transition, the anti-capitalist hopes, aspirations and struggles of millions around the globe (and particularly in Southern Africa) were, in one way or another, connected to the radical political and economic possibilities that might emerge in a post-apartheid South Africa. Central to such connections was the expectant belief that the forces of liberation in South Africa would, by pro-actively exercising popular, mass power through the institution of a new revolutionary people's state, begin to fundamentally transform the inherited apartheid-capitalist system by reclaiming public (i.e., people's) ownership and control of economic production and socio-economic distribution.

Against early indications by the African National Congress (ANC) of ideological backtracking and a willingness to negotiate away most of the more radical political and economic demands of the majority, the militant and highly politicised Congress of South African Trade Unions (COSATU) articulated clearly the need and desire for an explicit anti-capitalist, post-apartheid political economy. In its most important resolution at a 1992 Economic Policy Conference, COSATU stated:

'There must be a redistribution of resources and power. This will have to be done by a process of state intervention combining nationalisation, anti-trust legislation and other forms of legislative intervention including price controls. A process of redistribution must be carried out by ... increasing the production and provision of basic necessities like electricity, water, transportation, housing, education health & welfare, food, clothing and recreational facilities. The state must ensure that these basic services are retained in public hands and any such services that have been privatised should be renationalised.' (COSATU 1992).

Despite such views (that were most definitely supported by a majority of South Africa's oppressed black population), it had become clear by the time of the 1994 democratic elections that the ANC leadership had succeeded in its historic mission of institutionalising the framework for a post-apartheid deracialised capitalism. Much to the chagrin and eternal disappointment of those millions around the world and more specifically in Southern Africa, who had been looking to South Africa's liberation forces as the new vanguard for their anti-capitalist hopes and aspirations, the 'new' South Africa, notwithstanding the demise of formal apartheid, looked decidedly familiar.

In essence, the struggle for a full reclamation of the public had been forsaken, the socio-economic parameters of capitalism - with a human face - accepted. Even if at times contested throughout the rest of the 1990s, the ANC (as the leading political component of South Africa's liberation forces) went about implementing the broad framework of a regionally and globally dominant, neo-liberal economic orthodoxy.

This sad South African 'journey' has framed the ever-intensifying crisis of contemporary (neo-liberal) capitalism as directly applied to South Africa itself and the Southern African region. A central aspect of this systemic crisis has been, and continues to be, the corresponding crisis of what has been termed, 'public services' (here, taken to mean basic human needs and services). Having eschewed the historic possibilities of a popular, anti-capitalist struggle for ownership and control of socio-economic production and distribution - a trajectory that has been mimicked by several other Southern African national liberation movements in power over the last two decades - the ANC and its regional counterparts now find themselves desperately trying to manage the crises. Such rationalisations are best captured by South African Finance Minister Trevor Manuel's recent remarks on the role of the state vis-à-vis such services:

'What is central, however, is to ensure that states balance the different social and economic values that any single society expresses. This means that states and governments need to be creative - they need to ensure that economic gains are distributed and redistributed appropriately, that the poor are offered both the opportunity to create their own income and take advantage of public services and welfare that help them to build their own social capital, and that markets are regulated to provide fair opportunity to new entrants while holding all to standards that ensure that private industry benefits society as a whole. In short ... providing economic security at the same time as they allow

economic activity. It is important to emphasise that the role of regulator is a role for states, precisely because the state should perform the balancing act between social and economic values.’ (Manuel 2003).

### **The character of the contemporary crisis**

Alongside most Southern African governments, who were already well into implementing World Bank inspired structural adjustment programmes (SAPs) by the mid-1990s, the ANC government in South Africa adopted its own ‘home-grown’ SAP – the neo-liberal macroeconomic framework known as the Growth, Employment & Redistribution (GEAR) programme. Like its regional counterparts, GEAR has sought to entrench capitalist (i.e. private) ownership of all key productive components in the national economy, privatise crucial state-owned (traditionally public service) enterprises as well as social relations in general and forge a state that can act as the (national) enforcer and facilitator of the interests of global and domestic corporate capital (NIEP, 1996).

Under such a regimen there has emerged a political, economic and social crisis of systemic proportions – i.e., a capitalist crisis - in which the lives of the vast majority of people have, once again, become peripheral to the needs and demands of capitalist accumulation. Under this crisis, basic human needs and services no longer possess any meaningful public character and content.

As this crisis has progressed over the last few years in South and Southern Africa, the overwhelmingly dominant framework for dealing with it, inclusive of ostensibly progressive societal forces, has been to try and manage its inherent contradictions. In the Southern African context, such a managerialist approach can be explained (at the macro-level), by evincing three distinct but inter-related features of the accumulated crisis:

- The ideological and organisational capitulation (with varying timeframes and intensities) of the core of what used-to constitute national liberation movements in most of the key Southern African nations (e.g. – South Africa’s ANC, Mozambique’s FRELIMO, Zimbabwe’s ZANU, Angola’s MPLA and Namibia’s SWAPO). Now in state power, these ex-movements have fully embraced the

fundamentals of capitalist relations of production and distribution and the parallel class politics and power that come with them.

- The continued effects of the structural inheritances of colonialist and imperialist domination combined with the ideological and geographical dominance of the more contemporary (neo-liberal) form of global capitalist relations of production and distribution and all its particular present-day features in Southern Africa.
- The widespread theoretical and practical acceptance of the state as being the ‘public’ arm of the ‘private’. In other words, an acceptance that the character and role of the state is defined by the extent to which it catalyses and entrenches capitalist social, economic and political relations (which, of course, is the exact opposite of the neo-liberal myth of a economically disengaged and politically minimalist state).

In turn, these macro-crisis features have given rise to a range of secondary features that have more directly impacted on the crisis of basic (public) needs and services in Southern Africa with varying degrees of sophistication and intensity. These include:

- *Fiscal Decentralisation* – as a direct result of the neo-liberal push for a weakened fiscal role of the central (national) state, there have been drastic decreases in national government grants/subsidies to local municipalities and city councils, accompanied by support for the development of financial instruments for privatised delivery of basic services. In turn, this has most often forced local government to turn towards commercialisation and privatisation of basic services (e.g., water, electricity, sanitation, health) as a means of generating the revenue no longer provided by the national state. The predictable result has been that such services have become increasingly unaffordable and inaccessible to the majority of the population – especially in rural areas. (McDonald 2002)
- *Sado-Monetarism* – this describes the stringent fiscal ‘discipline’ and deficit reduction strategies, implemented under neo-liberal macro-economic programmes, that have effectively choked-off adequate ‘public’ expenditure on basic services. Consequent fiscal policies, by accepting the existing structures of production and

ownership, continue to privilege those in possession of economic resources and therefore necessarily catalyse the pursuit of ‘deficit reduction’ in order to contain budgetary expenditure on basic services and ‘public’ job creation. Combined with demands for tight monetary policy (usually maintained through high real interest rates to keep inflation in check), general domestic investment becomes constrained, resulting in job losses and allowing capital to pass on ‘secondary’ service costs (of privately-run service provision) to ordinary consumers. (McKinley 1997: 121-122)

- *Managerialism* – a culture of ‘governance’ that has resulted from the privatisation and corporatisation of the public sector, and which commodifies the relationship between state and citizen into one between (capitalist) corporate entity and (public) clients. The ‘public’ state has thus become more and more distant from the real public (i.e., the general citizenry) and has been effectively divorced from public accountability in the provision of so-called ‘public services’.
- *Privatisation & Cost-Recovery* – the headlong, neo-liberal rush to privatise (marketise) the relationship between the state and the citizenry and more specifically, state enterprises that have historically been the main providers of core ‘public services’, has turned the public into the private and the private into the public (Moore, 2003: 3). The ‘public services’ that are then provided must, of necessity, be symbiotically linked to the generation of ‘private’ profit – in the form of what has been termed ‘cost recovery’. As the ANC government has so eloquently rationalised it: “it is ... not equitable for any community to expect not to have to pay for the recurring costs of their services”. (Flynn 2003: 7). This approach has practically resulted in millions of poor South Africans (and Southern Africans) being retrenched from ‘public sector’ jobs and being cut-off from ‘public services’ – then left to suffer from all the attendant socio-economic maladies (McDonald & Pape 2002).
- *Depoliticisation/Demobilisation* – as part of the neo-liberal ‘package’, Southern African governments (using their national liberation legitimacy to the full) have, over the last decade, embarked on a systematic campaign to depoliticise and demobilise the general citizenry. More specifically, they have sought - with general success - to do the same to those historically progressive ‘civil society’ forces (e.g. unions and community organisations) that have the capacity to resist

privatisation and engage in militant, anti-capitalist struggle. The resultant weakening of the real 'public' have only further served to exacerbate the crisis of basic needs/services provision.

- *Aid/NGO Imperialism* – part of the neo-liberal onslaught in Southern Africa has consisted of large amounts of bi/multilateral 'aid' (mostly from the core capitalist countries and international financial institutions) flowing into countries alongside foreign consultants and northern NGOs playing an increasingly central role in the control and disbursement of such 'aid'. This had had the cumulative effect of seriously weakening any residual strength and capacity of the state to effectively carry out its 'public' responsibilities as well as undermining local/community initiatives in support of public ownership and control of basic needs/services. (Sogge 1998).

The combined socio-economic impact of these macro and secondary crisis features on the majority of inhabitants in Southern Africa has been devastating. Basic needs and services are the foundation upon which any decent human life must be built and in contemporary Southern Africa there now exists a human crisis of massive proportions. A brief look at a few practical examples from different Southern African countries gives a glimpse of the extent of the crisis:

- ZAMBIA – Over the last decade, hundreds of thousands of formal sector jobs have been lost. Only eleven percent of Zambian adults are now in waged employment, and the majority of the large urban population struggle to survive through petty trading. The privatisation of agricultural production and distribution has significantly contributed to the ongoing and devastating food shortages in many rural areas. Currently, more than eighty percent of Zambians are surviving on less than two US dollars a day, and Zambia has fallen to 153 of 178 countries on the Human Development Index. (Larner 2002). As a direct result of the implementation of neo-liberal 'reforms', basic social spending has dropped to around six percent of the overall national budget. This has resulted in nearly fifty percent of Zambian rural children being stunted, while the World Health Organisation estimates that there is an overall maternal mortality rate of 800 per 100,000. To add to the human misery, the failure to provide adequate basic needs

and services, especially in the area of healthcare, is largely responsible for the sharp fall in life expectancy from forty-nine years in 1992 to an estimated thirty-seven years at present. (United Nations 2000a)

- MALAWI – In a country that ranks near (or just above) Zambia on the socio-economic development indicator scale, the state has already succeeded in privatising thirty-five key state (public) enterprises and has announced a target of over one hundred within the next few years. Among the public entities that have already been fully (or partially) sacrificed on the altar of capitalist greed are the telecommunications operator, the power utility and the water supply authority. This has greatly contributed, over the last 2-3 years, to a massive loss of economic productivity amongst the mostly rural population and huge increases in the prevalence of preventable diseases. This state of affairs does not seem to seriously bother the foreign funders of basic services privatisation or the Malawian government. A senior government official is on record as saying that, "the main aims of the privatisation programme are to promote efficiency, encourage competition as well as to involve Malawians in the running of the country's economy." (United Nations 2000b)
- MOZAMBIQUE – While a construction and luxury consumer boom continue in the capital Maputo and politicians fight life and death struggles over access to lucrative sources of personal and class accumulation (Hanlon 2003), only twenty-six percent of the rural population (who make up the vast majority of the country's people) have access to clean water, while less than thirty percent have access to latrines. For young children, the lack of such basic services is a death sentence – presently, fifty-five children under the age of five die every day from diarrhoea. (UNICEF 2003) Last year, the government announced belatedly that it would try to halve the number of its citizens without clean drinking water and basic sanitation by 2015. However, it simultaneously acknowledged that the finances for this (an estimated one billion US dollars) would be sought from the World Bank and the private sector. (AIM 2003)

- ZIMBABWE – More than any other people in the region over the last several years, Zimbabweans have experienced the most sustained and devastating crisis of public services. Combined with the rapid descent of the Mugabe government into a proto-fascist regime intent on wiping out all political opposition and the corresponding collapse of the formal economy, has been a dramatic decline in the quality and quantity of public service provision. Privatised water and electricity services (Daily News 2003), a crumbling public healthcare system, an estimated eighty percent of the population without a formal job and a massive decline of state expenditure on education have all combined to entrench the gravest human crisis ever witnessed in Zimbabwean history (Bond & Manyanya 2002: 174-175). Zimbabwe provides a classic example of the extreme (yet logical) consequences of turning the national state into the institutionalised administrative ‘wing’ of domestic and/or international capital – an updated, neo-liberal/nationalist version of 20<sup>th</sup> century crony capitalism.
- SOUTH AFRICA – Examples of the crisis of public services in South Africa are simply too numerous to outline here. In broad terms though, the extent of the crisis is extremely widespread in a country that is the richest in the region and continues to aspire to so-called ‘world class’ status. By all accounts, the rate of joblessness now hovers around forty percent, millions of poor have had their water and electricity cut-off due to the effects of privatised service delivery, millions more have no access to adequate housing, less than two percent of all land has been redistributed since apartheid, fifty percent of the population still do not have access to a flush toilet and forty-two percent have no access to refuse collection/ removal. (McDonald 2002). Most tragically, over the last several years, hundreds of thousands have died of HIV-AIDs without ever having had the benefits of access to anti-retroviral medicines (<http://www.tac.org.za>) and yet the South African government has seen fit to spend tens of billions on new armaments.

### **Confronting the crisis**

It should be clear from the character of the crisis as outlined above, that the core of the problem with ‘public services’ in Southern Africa (and elsewhere for that matter) is that

the entire concept and practice of what constitutes 'public services' has been - or is rapidly in the process of being - reduced to more effective, efficient and societally acceptable management of the systemic capitalist crisis that now frames, with varying degrees of intensity and effect, the political economies of all nation-states. Unfortunately, the vast majority of progressive academics, organic intellectuals and mass-based social forces that are, in one way or another, involved in addressing the crisis of public services are guilty of succumbing to the exigencies of such a framework.

Indeed, the 'public services' conundrum that such progressives find themselves in is a direct result of the failure to come to grips with two central issues: the analysis of, and strategic insight into the materialist distinction between the modes of capitalist production and distribution; and, working class control and use of the state as a necessity for any construction of an anti-capitalist political economy geared towards socialism. The dominant strategic approach that has emerged as a result of such a failure represents a rehashed (and weak) Keynesian reformism that is, and always has been, doubly contradictory:

- The strategic approach is under-girded by a fundamental theoretical contradiction - i.e., seeking to reconcile the revolutionary social requirements of working class power and control with the exploitative and competitive requirements of capital;
- There is an equally fundamental practical contradiction - i.e., attempting to deliver basic human needs and services (a socialist priority) through hegemonising the economic sphere of capitalist relations of distribution without the necessary existence of a political hegemony as expressed in broad, democratic working class control of the state, as the means to hegemonise the realm of ownership/production. (McKinley 1997: 119)

As long as the primary bases for the production and distribution (i.e., provision) of basic services revolve predominately around the demands and needs of a global and domestic capitalist elite, there can be no meaningful 'public' character and content to so-called 'public services'. The various elites in Southern Africa will push the envelope as far and as much as they think they can 'get away with it' - i.e., without fomenting a social/political revolution. Unfortunately, in the present circumstances, that is much farther than it used to be mainly because the majority of those who would support a deepening and broadening

of the concept and practice of ‘public services’ continue to speak and act as though this can be achieved through piecemeal policy/legislative ‘reform’ (backed up by intellectual and advocacy work) within the confines of capitalist ownership and production.

As David Moore has so cogently argued, without adopting the absolute necessity and centrality of public accumulation/production – which can only have any real meaning under a working class controlled and run internationalist state - the present crisis of basic needs/services will remain caught within the never-ending cyclical turn of capitalist distribution. (Moore 2003: 4) The crisis of ‘public services’, whether in Southern Africa or anywhere else, is fundamentally, an expression of a much deeper and widespread political, social and economic crisis of early 21<sup>st</sup> century capitalism. James Petras has captured the challenge:

‘The great flows of capital disintegrate the immobile isolated household units, driving millions into the vortex of production and circulation of commodities; this moment of wrenching dislocation and relocation is silently, individually experienced by the mass of people, who struggle to find their place, disciplined by the struggle for basic needs and by the absolute reign of ascending capital.’ (Petras & Morley 1990: 53-54)

In order to have a sustained and meaningful impact on the cumulative crises, progressive forces in Southern Africa must, as John Pape has argued, do more than merely grab a small piece of the economic cake (distribution). This will not change the fundamentals – i.e., the composition of who bakes the cake – and, despite the possibilities of increased subsidisation etc., will leave the heart of the productive economy essentially unchallenged. (Pape 2002: 191). Arguing for ‘solutions’ that are symbiotically embedded in the same contextual institutions of power and political & socio-economic processes as those we are trying to fundamentally change might well bring about better-managed processes and policies that lead to short-term improvements in the lives of the poor majority. However, they cannot, and will not, bring about the structural redistribution of, and qualitative change in, ownership and resources that can re-insert the ‘public’ into every aspect of social relations.

Meaningful structural ‘reform’ that can lead to an equally meaningful democracy (the very conceptual and practical essence of the ‘public’) for the poor majority who continue to suffer under the barbarism of capitalism is going to require revolutionary ideas, politics, organisation and activity. The ‘public’ must be put back into the heart of political and

economic-decision making power in order for the ‘crisis of public services’ to be solved. Pape puts it succinctly – “The production and allocation of good and services is no longer decided on the basis of profitability, but on the basis of societal welfare as determined through participatory democracy”. (Pape 2002: 192). The seeds are there – whether they are nurtured and blossom remains up to that very ‘public’.

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