

THE STRUGGLE AGAINST SILENT DISCONNECTIONS

STOP WATER PRE-PAID

**PREPAID METERS AND THE
STRUGGLE FOR LIFE IN
PHIRI, SOWETO**

THE STRUGGLE AGAINST SILENT DISCONNECTIONS: PREPAID METERS AND THE STRUGGLE FOR LIFE IN PHIRI, SOWETO

A report by the Coalition Against Water Privatisation

July 2004

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The Coalition Against Water Privatisation was formed in September 2003 as a result of struggles against the installation of prepaid meters in Phiri, Soweto. It includes the Anti-Privatisation Forum, Environmental Justice Networking Forum, Jubilee South Africa, Indymedia SA, Freedom of Expression Institute, Landless People's Movement, Khanya College, Orange Farm Water Crisis Committee, Phiri Concerned Residents Committee, Kathorus Concerned Residents, Evaton Working Class Crisis Committee, Soweto Electricity Crisis Committee, Samancor Retrenched Workers Crisis Committee, Mandelaville Crisis Committee, Thembelihle Crisis Committee, Thembisa Concerned Residents Association, Inner City Forum (Johannesburg), Kanana Community Development Forum, and the Bophelong Community Service Forum, as well as independent students, academics, union and community activists. The Coalition brings together and gives support to communities facing the privatisation of water.

The Anti-Privatisation Forum was established in July 2000 by activists and organisations involved in two key anti-privatisation struggles: the struggle against iGoli 2002 in Johannesburg, and the struggle against Wits 2001 at Wits University. The APF has affiliates from the unions, communities, students and the left. The APF's role is to unite struggles against privatisation in the workplace and communities. It is open to any organisation or individual opposed to privatisation. The APF links workers' struggle for a living wage and jobs with community struggles for housing, water, electricity and fair rates and taxes. The APF has successfully linked struggles in communities in townships across Gauteng and around South Africa. It provides a forum for communities and workers to share their experiences and to strategise collectively. Key issues that have been taken up by the APF include electricity cutoffs, evictions, and support for workers' struggles against the privatisation of Johannesburg and Wits University.

The Phiri Concerned Residents Forum

This forum was set up by residents of Phiri in August 2003 in response to the initial attempts by Johannesburg Water to install prepaid water meters in Block 1, Phiri. It has since grown and become an affiliate of the Anti-Privatisation Forum. It works closely with the Soweto Electricity Crisis Committee and the Orange Farm Water Crisis Committee. It is also a founding member of the Coalition Against Water Privatisation.

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Acknowledgements

In order to make a collective effort succeed, the efforts of individuals are certainly still necessary. A number of organisations and individuals made this project possible. Special thanks therefore go to Prishani Naidoo (from the Anti-Privatisation Forum - APF and Research & Education in Development - Red) and Greg Ruiters (from the Municipal Services Project - MSP) for overseeing, co-ordinating, and facilitating the research and the writing up of this report. Special thanks must go to Florencia Belvedere (APF) for sorting through and compiling the initial interview data for more detailed analysis and writing, and to Nicolas Dieltiens (APF and Red) for the final layout and design of the report. In addition, thanks must go to members of the Research Subcommittee of the Coalition Against Water Privatisation and the Anti-Privatisation Forum, as well as members of the Phiri Concerned Residents Forum and the Orange Farm Water Crisis Committee. Membership of these structures has changed over the period of the research, with different people and organisations contributing differently and at different times to the research process. The real meetings of the Research Subcommittee have also been complemented by discussions over an e-mail list, allowing for our discussions to be national and international. A number of members of affiliates of the Anti-Privatisation Forum also participated in the initial workshop that designed the project. The office bearers of the APF also deserve special thanks for their support of the Research Subcommittee through their making of finances and other resources available for our work.

In acknowledging so many people, it is difficult to ensure that no one is left out. Below, however, is an attempt to recognise all those who assisted this research report directly through their participation in the Research Subcommittee and its e-mail list's discussions. Please note that the research groups in Phiri and Orange Farm are represented in this list by their elected representatives to the Subcommittee. The list does not therefore include all names of all participants from these groups (which have also been quite fluid in their composition) which have nevertheless played a central role in the work of the Research Subcommittee.

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If any person has been left out, it is through no malicious intent. Please let the Research Subcommittee know and your name will be added to the report.

Foreword & Introduction

giya! giya! giya! giya!
batengisa ngathi

jump! jump! jump! jump!
they are putting us up for sale

toyi-toyi sung by new social movements in South Africa

For as long as we are able to tell, water has been universally recognised as a naturally-occurring resource, necessary for the survival of all human beings. From religious texts to the first books that children read to international law, water is represented as a collective resource to which all human beings are entitled. Water has also come to define the ways in which people relate and interact, and the kinds of social relations possible within groups, communities, families, etc. From baptisms to weddings and funerals, water plays an important role in facilitating communal, collective, and social practices.

Colonialism and apartheid were the means by which people in Africa were forcefully separated from land, water and the means of life, and turned into wage slaves. With the rise of anti-colonialism and national liberation, regaining access to these resources was at the centre of struggles. But led by the world's largest companies and the World Bank, the profit motive and the market has again taken hold of everything today, including those resources absolutely essential for our reproduction as living human beings. The fight back, however, is just beginning as people all over the world defend life in all its forms. This research project is a product of those involved in the struggle for control over one of life's sources, water.

Prepaid meters form part of the logic of neoliberal policies¹, such as privatisation,



A Phiri resident opens a prepaid meter box that has been set in concrete since the pilot project in Orange Farm showed that meters above the surface were too easily broken.

‘cost recovery’, and water has become a big business, with the ‘ethics’ of the market and profit motives being prioritised over the needs of people. This has inaugurated a whole new way of thinking about water – no longer is it a shared resource, but a means for a few major transnational companies to make profits. And, a whole new set of relations and possibilities/limitations emerge – different from and in conflict with the notions of ‘water as a human right’, ‘meeting basic needs’, and ‘free basic services for all’. In this, the state has begun to speak in the interests of big business, and ‘the responsible citizen’ has come to be defined as the ‘customer-citizen’ who pays for basic services and takes individual responsibility for those aspects of his/her

¹ ‘Neoliberalism’ refers both to an economic policy paradigm – usually including deregulation, fiscal austerity measures and privatisation – and to a set of ideas that underpin it, including a belief in the ability of the “free market” to satisfy society’s needs and

in individuals as self-maximizing, rational actors. For more focused writings on South Africa’s transition to neoliberalism see the work of Patrick Bond, John Saul, Oupa Lehulere, Franco Barchiesi, Dale Mckinley, Ashwin Desai, Naidoo & Veriava, inter alia.

life previously protected by the state. Hence political and economic strategy converge.

South Africa represents one instance in this global transformation, in which citizens have come together in struggle against the effects of the implementation of such policies. As reflected in the words of the *toyi-toyi* above, people have begun to characterise the policies of the ANC government as the ‘sale of their lives’, as the delivery of basic services, among other things, has come to be defined along market principles.

While the ANC government came to power in 1994 on the basis of a broadly redistributive programme contained in the Reconstruction and Development Programme (RDP), by 1996 it had, under the influence of the International Monetary Fund (IMF) and the World Bank, adopted a clearly neoliberal macro-economic framework in the form of the Growth, Employment and Redistribution Strategy (GEAR). Under this framework, the delivery of basic services was to be privatised in various ways. Responsibility for this delivery was shifted to local municipalities, which would now have to manage the delivery of basic services along business principles, within a context also of decreased public sector and social spending. This has in many places translated into the local ‘outsourcing’ of service delivery to the private sector. With regard to water, this has in effect meant that water delivery in South Africa has become the responsibility of an international private sector in the form of the major transnational companies that control the provision of water all over the world.

In a context of increasingly widespread unemployment², the introduction of policies such as ‘user-fees’ for services provided has meant that large numbers of people and households have been unable to afford the services they need. While government might then claim that it has successfully increased the number of South Africans

who now have access to water, electricity and housing, it cannot refute the fact that a significant number of people have been cut off from these services as a result of their inability to pay for them. According to the DPLG’s 2001 Project Viability survey data, approximately half a million people had their water cut off for non-payment in the last 3 months of 2001 alone (a period after the implementation of the South African government’s promise to provide every South African household with a ‘lifeline’ of 6 000 litres of water per month).

As policies of ‘cost recovery’³ have been extended, the number of people coming together to resist their effects has risen. Evictions, water cut-offs, electricity cut-offs, expulsion from schools for not paying school fees, and so on, have increasingly come to affect poor communities since 1996. People have responded in different ways, from direct reappropriation of services through acts such as reconnections and reoccupation of land and houses, to marches and negotiations with private companies and the state. From 2000 onwards, a number of organisations and groups have emerged to fight these effects. They include, amongst others, the Concerned Citizens Forum (CCF-Durban), the Anti-Eviction Campaign (AEC-Cape Town), the Anti-Privatisation Forum (Anti-Privatisation Forum-Johannesburg), and the Landless People’s Movement (LPM).

With resistance to the effects of privatisation growing, cut-offs began to prove unsuccessful as a strategy for making profits or ‘recovering costs’ in the areas of water and electricity provision. The prepaid meter emerged as the solution – no one

² Bhorat in *New Agenda*, Issue 4, Fourth Quarter, 2001:23.

³ “Cost recovery” is part and parcel of neoliberal austerity measures. It implies a rejection of the subsidisation of services in favour of forcing municipalities to recover the costs for basic services from residents. It has been shown that, in the case of privatised utilities in particular, it entails the introduction of a market logic into the provision of basic services. In South Africa, “cost recovery” has severely limited the avenues to pursue redistributive policies (McDonald and Pape, 2002; Harvey, Ebrahim, unpublished masters thesis, 2003).

would get water without paying for it first. In this way, debt is never able to be incurred, and providers (private companies) and consumers (citizens) do not have to interact directly.

The prepaid water meter is perhaps today's starkest expression of this commitment to the profit motive above the needs of people. In addition to entrenching the logic of payment for a basic resource, the prepaid meter individualises the relationship of people to water and makes any notion of individual right dependent on individual ability to pay. 'Responsibility' also becomes individualised (away from the state and society) as water provision is made the responsibility of a private company to a paying individual.

This research report is significant in that it has emerged out of the struggles of residents in Phiri against the installation of prepaid water meters, and has been produced by members of the Phiri Concerned Residents Forum in collaboration with the Coalition Against Water Privatisation and the Anti-Privatisation Forum⁴. In this context, it speaks to neoliberal strategies for the submission of all aspects of life to the control of the market as well as to the formulation of strategies of resistance against this logic.

We hope that it will contribute to the strengthening of this resistance.



Recharging the meter

⁴ For a more detailed account of these organisations go to the end of the report.

Background

Water services in Johannesburg are provided by Johannesburg Water – a corporatised municipal utility that became an arms length company – created in 2001 as part of the iGoli 2002 program. iGoli 2002 involved the sale of municipal assets and the conversion of municipal departments into separate ring-fenced companies. These companies in turn have outsourced a number of essential services and their management to private contractors and companies. Meter reading and water management are all privately run.



According to the Johannesburg Water corporate website, the creation of Johannesburg Water had the following aims: 1) to create ‘a less bureaucratic business’ 2) to ‘force a customer focus’ and 3) to attract investment. It is notable that the exercise used the word ‘force’, because the idea of the market as a ‘force’ and its accompanying social violence constantly appears in the battle in Phiri. The company would own all the water assets (to be transferred from the council). The council would be the main “shareholder”, and Johannesburg Water would pay “dividends” to the council. These are the exact words used by Johannesburg Water, leaving little doubt about why prepaid meters suddenly appeared on the horizon.

Johannesburg Water’s turnover is over R2 billion a year⁵; it serves over 3 million people with water bought from the Rand Water Board for R850-R950 million. Johannesburg Water’s immediate goal is to reduce water losses and improve infrastructure in low income areas and the fast-growing, super-wealthy area of Sandton. It is important to note that there are many ways to do this and that the choice of means is not accidental. The company singles out townships as a big problem because of the flat rate system which causes major water losses and also illegal connections⁶.

Johannesburg Water’s Board consists of six new-style black business experts (all with CEO backgrounds and experience in banking or the insurance industry). The heads of Ethekewini Water, Neil Macleod and Martie van Rensburg, are involved directly in water. Significantly, there is no community, consumer, human rights or trade union voice on the Board. In 2001, Johannesburg Water signed a five-year management contract with the Johannesburg Water Management Company, a joint venture between Ondeo (water subsidiary of Suez Lyonnaise Des Eaux, one of the biggest transnational firms in the business of water), Northumbrian Water (acquired by Suez in 1996) and Water and Sanitation Services South Africa (WSSA, the South African local services subsidiary of Ondeo). French water expert Jean-Marc Lotthe heads up the “customer management section”; Mas, is the operations executive and Andrew Still holds the position of executive director. For Still, water services have to “maintain social stability among the populace” but he sees water as a “political commodity”. But market discipline and profit are the bottom line. For Johannesburg Water, the expected net profits for the financial year 2003/04 are R86 million (US\$13 million).⁷

⁵ See <http://www.johannesburgwater.co.za>.

⁶ See *Johannesburg Water, Corporate Profile:3*, see <http://www.johannesburgwater.co.za>

⁷ *City of Johannesburg: Budget 2001/02-2003/04*, Johannesburg Water, http://www.johannesburgnews.co.za/budget_2001/jhb_water.html

It is also worth noting that prepaid meters have become a South African speciality. Conlog is among several companies that makes these meters. A subsidiary of a French company (Schneider), Conlog had Joe Modise (ANC) as its key shareholder. Ex-comrades-turned billionaires are selling the prepaid meters as the 'final' solution to municipalities struggling to enforce payment and "cost recovery". For one, it is debt-proof; secondly, it is a silent gun because those at whom it is aimed go quietly and without loud political commotions that come when council has to physically disconnect angry residents. South Africa is also a leading exporter of prepaid meters and recently hosted a week-long conference entitled "Prepayment Week".⁸

In line with the commercialisation approach to water, in September 2003, the Mayor of Johannesburg, Amos Masondo, launched Johannesburg Water's major strategic prepaid operation, Operation Gcin'amanzi. Most of Soweto's 151 000 stands would have prepaid water meters installed under this plan. The council said it was losing millions of rands in water leaks and revenue, because residents were paying a flat rate instead of being billed for their actual consumption. According to Johannesburg Water, the operation would "address issues such as unaccounted for water, metering, billing of customers, network rehabilitation, private property water leaks, water leaks within the municipal network and water usage habits."⁹

A starting place for the operation would involve the installation of prepaid water meters in Orange Farm (the largest informal settlement in South Africa) and Phiri (Soweto). For residents, the prepaid system would also facilitate better individual household budgeting, according to Johannesburg Water. Residents would "take ownership" of the consumption as they would be able to monitor and regulate how much they were using – they would

get the first 6000 litres free and then only pre-pay for the rest. The council would not have to cut off residents, or send out bills, and it would save massively by reducing water losses. The council would upgrade the water pipe network and promised a 'win-win' solution.

Given that Phiri is a part of Soweto, the biggest township in South Africa, the stakes are very high. The council believes that if the installation of prepaid water meters is successful here, it will be successful elsewhere. Communities see access to water as a human right and as essential for meeting their basic needs for survival. In Soweto, residents are supported in their actions by the Soweto Electricity Crisis Committee (SECC) and the Anti-Privatisation Forum (Anti-Privatisation Forum). In 2003, the Phiri Concerned Residents Forum was formed to oppose prepaid water meters.

When Johannesburg Water began digging and laying new pipes in the streets of Phiri in August 2003, residents protested and there were several physical altercations between residents, the police and private security (Wozani Security) who were called in to protect the operation. The initial work of Johannesburg Water was seriously hindered and slowed down by the actions of angry residents. When this research project began, this struggle was at its height and the installation of the meters was largely being resisted and prevented.

Johannesburg Water applied for and was granted an interdict preventing any person from interfering with its work in Phiri and granting unqualified powers to private security hired by Johannesburg Water. Fourteen people were arrested in the months that followed on charges of 'public violence', 'incitement' and 'malicious damage to property' as they tried to defend their right to free access to water. In Johannesburg, activists and organisations came together to form the Coalition Against Water Privatisation, in an attempt to bring together communities and groups resisting the installation of prepaid water meters and water privatisation more generally.

⁸ For more information on this issue, see Conlog's website (www.conlog.co.za).

⁹ See <http://www.johannesburgwater.co.za>

In their interactions with Johannesburg Water, residents of Phiri had been told that prepaid water meters were being installed in Phiri as a result of their success in Stretford, Extension 4 Orange Farm, and that Orange Farm residents were satisfied with the meters. Through the Coalition Against Water Privatisation, residents from Phiri came into contact with residents from Orange Farm, who were also engaged in struggles against prepaid water meters. Phiri residents found out that Orange Farm residents were not happy with the prepaid system and had organised against it.¹⁰

In a similar research report entitled 'Nothing For Mahala', members of the Orange Farm Water Crisis Committee, the Coalition Against Water Privatisation and the Anti-Privatisation Forum (in partnership with Public Citizen, based in USA) present findings of a household survey in Stretford Extension 4, Orange Farm showing the high levels of dissatisfaction with the prepaid water system. 90% of the residents interviewed for this report stated that they had been deceived by Johannesburg Water into signing onto the prepaid system as they had been made to believe that they would only be able to get flush toilets if they got prepaid water meters. In an area where inadequate sewage and sanitation are a daily nuisance and threat in the lives of residents, prepaid meters were accepted as a necessity with very little question. The report goes on to show, however, how the lives of residents in Stretford have deteriorated as a result of the prepaid system – e.g. unemployment is high in the area and inability to pay for the water needed by large households (on average 5 people) has resulted in women and children having to carry water from neighbouring extensions where water is still freely available for now; the majority of residents interviewed believe that relations between neighbours is deteriorating as people begin to steal water from each other; and

¹⁰ See Council Report, and Coalition Against Water Privatisation et. al, *Nothing For Mahala: The Forced Installation Of Prepaid Water Meters In Stretford, Extension 4, Orange Farm, Johannesburg, 2003.*

celebrations of traditionally communal events, such as weddings and funerals, are becoming increasingly impossible as unaffordability prevents such large gatherings¹¹.

In spite of negative experiences with prepaid water meters in South Africa and elsewhere,¹² the Department of Water and Forestry Affairs has set, as one of its goals, the installation of prepaid water meters in all households in the country.¹³ Government and private companies see prepaid meters as a way to curb the number of 'unapproved' connections to water and to reduce the large quantity of water that goes 'unaccounted' for. According to the Department of Water Affairs and Forestry, prepaid water meters could reduce water consumption by as much as 65%. In the case of Johannesburg, 'unaccounted for' water represents 35% of the operation, a number that includes unapproved connections.

Historically, water rates have differed between townships and urban areas in Johannesburg. Most often, township residents have had access to water from an unmetered water supply or from meters that were not read and hence their supply was provided at a flat fee/rate for a 'deemed' consumption. Johannesburg Water charges townships for a deemed consumption of 20kl per month. This works out to more or less the same as middle class suburbs where meters are read. Tariff increases for water in Johannesburg in 2003 also highlight the irony that the highest increases are borne by the smaller users of water, as reflected in the table below:

¹¹ Coalition Against Water Privatisation et. al, *Nothing For Mahala: The Forced Installation Of Prepaid Water Meters In Stretford, Extension 4, Orange Farm, Johannesburg, 2003* - <http://www.citizen.org/documents/sappm.pdf>

¹² See Marvin, S.J & S. Guy (1997) "Smart Meters and Privatised Utilities" in *Local Economy* 12 (2) pp199-132.

¹³ Department: Water affairs and Forestry (2003), *Strategic Framework For Water Services: Water Is Life, Sanitation Is Dignity*, p44.

Table 1: Breakdown of water tariffs

Kilolitres	2002/ 2003	2003/ 2004	% increase
0-6	Free	Free	0
10	R9.97	R13.20	32%
15	R32.36	R35.20	8%
20	R57.34	R62.70	9%
30	R115.45	R128.70	11%
40	R173.55	R194.70	12%
50	R244.44	R272.70	12%

Source: Johannesburg Water, "2003-4 Tariffs and Free Essential Water"

http://www.johannesburgwater.co.za/finance/finance_tariff.html

Most striking is that households on prepaid water using 20 kl a month will be charged R86.05 (see JW website). That is R24 more than others on credit meters. Even if prepaying households reduced water consumption to 15 kl they would still pay R11 more per month.

This inequality is exacerbated in the prepaid system as the prepaid water meters come at a higher price (around R1000) than conventional meters. Despite management savings, prepaid water is charged at a higher unit rate for users compared to a credit system.¹⁴ The privileged households using more get credit whereas the poor in Phiri and elsewhere pay up front. Johannesburg's billing system however has been plagued by problems (see numerous reports in Star and Sunday Times) and many middle class residents have since 2004 demanded prepaid metering as a way to by pass a failing city administration.

By the time of the writing up of this report, Johannesburg Water was claiming that 98% of residents in Phiri had agreed to the installation of prepaid water meters and that 300 meters had been installed in Phiri.¹⁵

¹⁴ Marvin, S.J & S. Guy (1997) "Smart Meters and Privatised Utilities" in *Local Economy* 12 (2) pp199-132.

¹⁵ Jameel Chand quoted in Lucky Sindane, *Operation Gcin'amanzi Enters New Phase*, 10/03/2004 – http://www.randwater.co.za/News_Details.asp?newsID=489.

The Research Process

This research report is the result of a collective process involving members of the Coalition Against Water Privatisation, and it represents one part of a bigger research process including a similar study of the effects of prepaid meters in Orange Farm¹⁶, analyses of Johannesburg Water and Wozani Security, and an evaluation of the strategies and tactics employed by affiliates of the Anti-Privatisation Forum in resisting the prepaid system. The overall research process is being facilitated and coordinated by the Research Committee of the Coalition Against Water Privatisation (which is also integrated into the organisational processes of the Anti-Privatisation Forum). This Research Committee has seen the coming together of academics and students from Wits University with NGO researchers and activists, as well as activists and members of community organisations and movements.

The methodology for this study was developed in a two-day workshop attended by representatives of all community affiliates of the Anti-Privatisation Forum and members of the Coalition Against Water Privatisation held in Johannesburg in October 2003. The workshop facilitated discussion and learning about research, privatisation and prepaid water systems, and allowed for the collective development of a set of key research questions. These informed a questionnaire which was workshopped and then tested. Thereafter 20 community members who are in Anti-Privatisation Forum structures were trained to administer the questionnaire. In particular, members of the Phiri Concerned Residents Forum and the Orange Farm Water Crisis Committee were in the forefront of doing the research. It was felt that a majority of people from Orange Farm and Phiri should be involved in this work as they were being directly affected by the

¹⁶ Coalition Against Water Privatisation et. al, *Nothing For Mahala: The Forced Installation Of Prepaid Water Meters In Stretford, Extension 4, Orange Farm, Johannesburg, 2003* -<http://www.citizen.org/documents/sappm.pdf>

problem and therefore had the most related experience, as well as to allow for the sharing of experiences amongst people from the two areas.

This report is based on 174 household interviews (based on the questionnaire) conducted in Phiri. The Phiri area was divided into ten small areas, in which every tenth home was interviewed. Residents were informed of the purpose of the research as well as the affiliation of the researchers and then their time was requested. It is important to stress that residents interviewed would not have had the life experience of prepaid water, but would have been living with the threat of their installation for some time. The survey results therefore represent attitudes towards the perceived effects of prepaid water meters rather than actual effects already experienced.

The fieldwork was conducted in December 2003, with data-capturing, analysis and writing following from January to June 2004. A fresh approach to the process of conducting research – one in which there are no ‘outsiders’ to the research process was attempted. Instead, the researchers have come from the area being researched and have been central to all aspects of the research process. In this way, this report represents the investigations into Phiri considered necessary by those directly affected by the installation of prepaid meters, and seeks alternatives that work in their common best interest. The final report has been complemented by documentary analysis as well as findings from other aspects of the research process. This has been facilitated by fortnightly meetings of the Research Committee at which reports are shared from the different aspects of the research. It is envisaged that this report will be converted into popular form and widely disseminated in Phiri and other communities through popular booklets, mass meetings and door-to-door visits.

The Research Questions

This research sought to answer several questions:

- 1) What are the basic problems of families living in Phiri?
- 2) What kind of services do residents get?
- 3) What do people think of the current prepaid electricity system?
- 4) How do people manage with current municipal bills? Do they have arrears?
- 5) What would residents do if prepaid water meters were to be installed?
- 6) What are the attitudes, fears and knowledges that residents have of prepayment?
- 7) What are the residents’ water needs?
- 8) What, if any, consultations did Johannesburg Water undertake?
- 9) Will prepaid meters improve residents’ trust in structures of local government?

A Background to Phiri, a township in the middle of greater Soweto

A study of Soweto as a whole by Wits University sociologists in 1999 (Morris, 1999) noted: “The employment status of Sowetans reflects the “disastrous levels of unemployment in historically African townships. Just under 30 percent of the population over the age of 16 are employed full-time, with almost 31 percent unemployed but looking for work and 5,8 percent unemployed but not looking for work. Hardest hit by unemployment are people between the ages of 20 and 29. Only 25,8 percent of people in this age group are employed either full- or part-time, while 43,2 percent are unemployed and looking for work. Women are less likely to be employed”.

Most of Soweto’s infrastructure is almost 50 years old, dating from the 1950s, with ‘full water borne sanitation and a standpipe attached to a toilet block at the rear of the property (Integrated Development Framework, Water and Sanitation Infrastructure, Jeffares and Green Inc for Johannesburg Metro, 1997,: 16). This is

confirmed by our own survey and Morris's 1999 study which noted that, "Fewer than one in five households have a separate bathroom. Water is available only from an outside tap for just under two-thirds of households." In Soweto, generally, there is a high level of physical water loss on properties and in the mains. Most Sowetans receive unmetered water on a flat rate basis of close to R62.50 (which is what JW charges others for 20 kl of water on the credit meters on 2003/4 rates). Sowetans on average use 20 kl of water per month – close to 700 litres per person per day as compared to 2,500 per person per day used in wealthy areas (Jeffares and Green Inc for Rand Water 1997: 31). The rich use almost four times more water than low-income areas.

Bordered by Mapetla and Moraka, Phiri was set up during the late 1950s apartheid era as an ethnic enclave for people designated as Sothos and Tswanas by the apartheid state. Between 1954 and 1969 the council built 50,000 low cost homes,

most without inside bathrooms or toilets. No further state houses were built although banks started lending for middle class housing areas in the 1980s. In the 1970s most of Soweto was electrified, by the 1980s backyard shacks had to be built by residents because of the housing shortage. By the late 1990s Phiri had 1,963 backyard dwellings – almost one on every stand (Morris 1999).

Among the more poorly constructed of the state-built houses, Phiri sites consisted of overcrowded two family units. Phiri is exceptional even by Soweto standards: it has a population density of 181 persons per hectare, almost twice as dense as Chiawelo, Senaone and Moletsane – nearby sub-areas (GJMC, Planning Information Services, 1997 and Census 1996). It is noteworthy that Johannesburg Water chose a community such as Phiri to kick-start their campaign to impose water prepayment en masse and turn Soweto into a prepaid, 'debt proof' township.



Water carriers have been hired by Phiri residents to haul buckets at R2 each from neighbouring Mapetla, where the installation of prepaid meters is still awaited

Survey Results

General Profile of Respondents and Households

Of a total of 174 interviews completed with residents in Phiri, three quarters were women, while one quarter were men indicating that many households are headed by females. Almost one third of female respondents indicated that they were mothers (32%), while almost two fifths of male respondents stated that they were fathers (38%).

Over two thirds of people interviewed had been living in Phiri for twenty years or more, indicating that for the most part, respondents were well-established residents of Phiri. From our field observations, most Phiri families live in extended families in two-roomed houses with no separate kitchens and bathrooms or inside taps.

On average, most properties had a total of 16 people. It is worth noting that the free 25 litres per person per day (6 kl per month) promised by the government was based on a household size of 8 persons.

Table 2: Source of Income¹⁷

	# of mentions	%
Household income comes from pension	94	54%
Household income comes from salary	54	31%
Household income comes from childcare grant	46	26%
Household income comes from rent	15	9%
Household income comes from self-employed	13	8%
Household income comes from disability grant	12	7%
Household income comes from foster care grant	4	2%
Household income comes from other source	3	2%
Household income comes from HIV/AIDS grant	2	1%

In almost half of the cases, respondents indicated that one or more people in their respective households was sick most of the time or needed special care. Problems of high blood pressure and sugar diabetes figured most prominently amongst the illnesses experienced by respondents. The majority of respondents indicated that they rely on pensions (around R700 per month) as the main source of income for the household. This is higher than Pimville and Orlando where 40% of households had pensions as the main income source (MSP, 2001). For close to one third of homes, wages constituted the main source of income. Combined, the number of respondents who rely solely on government grants of different sorts is almost two fifths of respondents. Almost one in ten residents drew most of his/her income from renting out backyard rooms.

Table 3: Monthly household income

	N	%
No income	5	3
Under R500	32	20
Under R1000	87	54
Under R1,500	19	12
Under R2000	10	6
Under R2,500	3	2
Under R3,000	2	1
Under R3,500	1	1
Over R3,500	3	2
Total	162	100

¹⁷ Percentages do not add up to 100%, because respondents were allowed to give more than one answer to this question. This means that in several instances respondents relied on income from more than one source.

The majority of households surveyed have an income of less than R1000 a month. This concurs with recent studies which show that the income of the poor has not improved in the last five years (HSRC 2004, UNEP, 2004). A 1999 survey (Morris, 1999) found that 50% of Sowetans earned under R1500 per month. Officially, those under R1500 qualify as indigents entitled to several free services.

Housing, Electricity and Sanitation

The majority of respondents (76%) live in a formal house that they own, whereas 24% live in houses that they rent, either from the government, or from other people. Very few respondents make use of their homes to conduct business. The majority of respondents (94%) indicated that they use their homes for living purposes only.

The majority of respondents indicated that they have one or more flush toilets on their property. It is worth noting that the flush toilet uses 12 litres per flush (half the nominal 25 free litres) and toilet leaks are a significant source of internal leaks paid for by consumers. A quarter of those interviewed do not have any flush toilets. Of respondents who have flush toilets, 79% indicated that the flush toilets are located outside of their homes on their properties. This fact is significant given that controlling the number of flushes may be difficult.

A key finding was that 86% of respondents indicated that they rely on pre-paid electricity meters for electricity, while 14% obtain electricity from normal meters that require meter readings. The majority of respondents (81%) who rely on prepaid electricity meters had been on this system for one year. This is noteworthy, since the existence of a ‘culture of prepayment’ is central to Johannesburg Water’s argument in favour of prepaid water.

The majority of respondents (89%) obtain water from outside yard taps, while 22% said that they rely on piped water into their homes. Most respondents (87%) indicated that they do not have a bathroom with a

bath inside their homes.¹⁸ Worth noting is that monitoring and controlling consumption may be harder the more removed the water facility is. Outside taps may be used by anyone who gains access to property. In Orange Farm (see Public Citizen, 2004), large scale water theft occurred and residents found full-time monitoring of water taps impossible. Deedat (2002) also observed widespread inter-household strife in her study of Northern Cape towns with prepaid water.

Experiences With Prepayment For Electricity

Our survey shows that the majority of residents of Phiri already have at least a year’s experience of the prepaid system through the delivery of electricity. However, as our study shows, this has been a negative experience. Of the respondents who use prepaid electricity, the overwhelming majority indicated that on a monthly basis, they run out of electricity between one and three times a month.

Table 4: How many times, if any, have you run out of prepaid electricity in a month?

	N	%
0 times	25	18
1-3 times	85	61
4-6 times	27	19
7-9 times	3	2
Total	140	100

More importantly, one fifth experienced repeated self-disconnections of between four and six times each month.

We asked respondents who relied on pre-paid electricity meters and who had experienced cut-offs to indicate what action they took when they ran out of money to feed the pre-paid electricity meters. The majority said that they had to switch to other power sources (paraffin, wood and coal) to satisfy their power needs, whereas 17% indicated that they simply had to live

¹⁸ This finding concurs with a study published in 1999 (Morris 1999).

without any access to electricity or energy once their prepaids ran out. Significantly only 6% could rely on neighbours or borrow money to recharge the electricity meter. Important in the context of this study, while there are substitutes such as candles or paraffin for electricity, in the case of water, there are no substitutes.

Serious negative health consequences (respiratory diseases) for those who use paraffin, wood and coal have been shown by numerous studies (MSP, 2001, 19) and Morris (1999) which showed that 40% of Sowetans suffered respiratory diseases. 83% of respondents stated they had lost food that went bad when electricity supply ran out. Significantly, almost half the households reported that running out of electricity had caused ‘fighting in the house’; and 67% said that they felt ashamed as a result of not having electricity. This shows that prepaids increase the uncertainty in households and that rationing consumption as well as running out may be a significant source of household violence. More detailed analysis of the effects of prepayment on gender are necessary as activists and theorists have argued elsewhere that changes brought to bear on social relations (which are gendered) and the economy (also gendered e.g. the division of labour), have a profound effect on the ways in which men and women imagine themselves and interact, are able to fulfil traditional gendered expectations of them (stereotypes, roles), and are able to live as equal human beings (e.g. the traditionally female, unpaid, reproductive labour in the household, family and community is increasing under neoliberalism as the state slowly reneges on its responsibilities for provision of social welfare, health care, education, basic services, etc.)¹⁹. A more concrete example

¹⁹ For a more focused discussion of the effects of neoliberalism on gender issues in South Africa, see Khanya College/Kganya Women’s Consortium, *The Status Of Women In Orange Farm: Experiences & Responses To GEAR*, Johannesburg, 2001; Naidoo, P, *Changing GEAR: Challenges Facing South African Organisations Working For Gender Justice In The Face Of Globalisation*, Lola Press, May/October 2000.

is provided in the research report from Orange Farm, ‘Nothing For Mahala’, which records that the introduction of prepaid water meters has resulted in the work of women and children increasing as they now have to walk long distances to collect and carry water from neighbouring extensions where water is still freely available.

Water Flat Rate

While our questionnaire tried to find out whether a flat rate existed with regard to the payment for water services in the past, responses suggest that the question was misunderstood. When asked how much the current water flat rate is, respondents gave figures that fluctuated between R2 and R16 940. It is possible that respondents gave the total amount of money owed in water bills, rather than a flat monthly rate. The most mentioned amount amongst respondents, as a current flat rate, was, however R100. The municipality’s official water flat rate is listed as R62 for a deemed average of 20kl of water per month.

Table 5: How often do you pay the water flat rate?

	N	%
Never	37	22
Always	91	53
Sometimes	43	25
Total	171	100

Just over half the respondents said that they paid the water flat rate on a regular basis, while one quarter of respondents indicated that they sometimes pay this amount. This finding serves to show that residents might be willing to pay for water if it is a reasonable amount.

Almost two fifths of respondents (39%) indicated that they owe arrears of more than a year on their water consumption. The table below shows the amounts owed currently by respondents.

Table 6: If you owe money on water, how much in arrears do you owe?

	N	%
Less than 6 months worth	25	24
More than 6 months worth	18	17
More than 1 years worth	42	40
More than two years worth	21	20
Total	106	100

These arrears would no longer occur once the prepaid water system is installed in Phiri – a debt proof solution to Johannesburg Water ‘cost recovery’ concerns. It is of concern that the majority of respondents who have arrears owe arrears that amount to one year or more of water usage. If these arrears are not written off, residents may be forced to pay them off everytime they buy prepaid units—a current practice in several towns.

One fifth of households interviewed indicated that they had received a summons linked to their water arrears. While the summonses received specified a variety of amounts owed, on average, respondents who received summonses, were asked for amounts in the order of R9000. Recent evidence to a parliamentary Portfolio Finance Committee suggested 3% of the population and 30% of the labour force faced civil debt summonses while 11% of all summonses issued were for municipal water and electricity (Daily Business News, 20 June 2003).

They also point to the fact that residents have largely been unable to pay for water in the past despite a willingness to pay.

The Uses of Water

Table 7, below, illustrates that Phiri residents interviewed use water everyday for bathing, cooking, flushing the toilet, washing dishes, as well as taking care of children, babies and sick people in their households.

Table 7: How often do you use water for each of the following?

	Everyday	Sometimes	Never	Total
Use water for bath	100%	0%	0%	100% (N=171)
Use water for cooking	100%	0%	0%	100% (N=170)
Use water for toilet flush	99%	1%	0%	100% (N=173)
Use water for washing dishes	99%	1%	0%	100% (N=171)
Use water for children or babies	86%	4%	10%	100% (N=165)
Use water for care of sick people	76%	7%	17%	100% (N=162)
Use water for gardening	26%	38%	36%	100% (N=139)
Use water for home business	17%	8%	75%	100% (N=110)
Use water for car wash	15%	22%	64%	100% (N=124)

Crucially, most residents have few discretionary water uses (car washing and gardening). One conclusion is that if prepaids were installed, residents would have to cut down on essential everyday uses. Prepaid water does not guarantee continuous access, or access for emergencies such as fires, and medical emergencies or funerals. It undermines the state’s rationale for water to meet basic needs.

How Residents Might Cope With Prepaid Water

Table 8, below, shows how residents said that they would change their usage of water if they went onto the prepaid system.

Table 8: Possible usage changes with pre-paid water meters

	Yes	No	Total
If you get a pre-paid water meter will you flush the toilet every time you use it?	55%	45%	100% (N=174)
If you get a pre-paid water meter will you let children use the toilet?	48%	52%	100% (N=174)
If you get a pre-paid water meter will you bath as often?	44%	56%	100% (N=174)
If you get a pre-paid water meter will you let children play with water when it is very hot?	4%	96%	100% (N=174)
If get a pre-paid water meter will you re-use dirty water?	36%	64%	100% (N=174)

Among the negative effects that pre-paid water meters could have, respondents pointed to their likelihood of bathing less often, not letting children use the toilet and not letting children use water when the weather is very hot. Almost one third of residents felt they would re-use dirty water. It is unclear how prepaids could affect domestic hygiene or undermine the effects of popular education around hand-washing and hygiene. In the context of the HIV-AIDS pandemic, the need for water also increases as households require more water to care for the needs of the sick. Not having enough for basic household needs certainly points to the fact that such additional needs will not be met.

Community Perceptions About Prepaid Water Meters

Interestingly, there was near unanimity in respondents' negative perceptions of the state in relation to prepaid water. Almost all (97%) respondents felt that it was 'unfair' for government to introduce the system for poor people while (95%) felt that government was 'forcing' them to accept the system; 86% said that they did not know why government was introducing the system.

Also interesting is the fact that 93% of respondents said that 'it is unfair that some people get water then pay later, and we will have to pay first and then get water'.

Table 9: Community Perceptions About Government and Prepaid Meters

	Yes	No	Total
Government is unfair to come with prepaid for poor people	97%	3%	100% (N=174)
Government is forcing us to take the prepaid water.	95%	5%	100% (N=174)
Government is coming with prepaid because it wants to make us poor.	92%	8%	100% (N=174)
Government is coming with prepaid because it wants to help us.	7%	93%	100% (N=174)
I don't know why government is coming with prepaid water.	86%	14%	100% (N=174)

Table 10: Other anticipated outcomes

	Yes	No	Total
It will be hard to control water usage in my family and in the yard.	95%	5%	100% (N=174)
Some people like prepaid, but most of us will run out of water.	94%	6%	100% (N=174)
It is unfair that some people get water then pay later and we will have to pay first and then get water.	93%	7%	100% (N=174)
Women will have more work with prepaid water.	69%	31%	100% (N=174)
People might steal water from each other	96%	4%	100% (N=174)

In addition, 95% of respondents said that the prepaid meters would make it difficult to control household water usage; 94% felt that most people would run out of water on the new system; and 96% felt that the new system would result in people stealing water.

Significantly, 69% of respondents felt that reliance on prepaid water would increase the burden on women. This is further enhanced by respondents' answers to questions related to the gendered division of labour related to the prepaid water system.

Table 11: Who in the house would control water usage, if there was prepaid water in your house?

	N	%
Women	73	45
Male & female adults	32	20
Men	30	19
Nobody	24	15
Everyone	3	2
Total	162	100

Not surprisingly, the burden of controlling water usage would more likely fall on women in the household. This is even more problematic when 93% of respondents indicated that they do not have the skills to be able to read the water meter to see how much water is left and to budget based on this.

Table 12: Who would buy water units if prepaid water was installed in your house?

	N	%
Women	75	47
Male & Female adults	34	21
Men	31	19
Nobody	16	10
Everyone	4	3
Total	160	100

In addition, the burden of having to buy prepaid units would fall on women, and male and female adults within the household.

Residents interviewed were also asked to comment on other social effects that prepaid water meters could bring to Phiri. The overwhelming majority of respondents indicated that pre-paid water meters would cost them time and money (93%), and that they would make trouble in their homes (90%).

Table 13: Prepaid meters and household burdens, budgets and costs

	Yes	No	%
Do you believe that pre-paid water meters will cost you time and money to travel to buy units?	93%	8%	100%
Do you believe that you will have to use less water with pre-paid meters?	76%	24%	100%
Do you believe that before you did not have to pay for water, but now you will have to?	89%	12%	100%
Do you believe that pre-paid water meters will make trouble in your house?	90%	10%	100%
Do you believe that it will be easier to budget with prepaid water?	20%	80%	100%
I do not understand why we will get pre-paid water meters in Soweto	87%	13%	100%
N=174			

Another important finding is that, contra Johannesburg Water’s and the Johannesburg City Council’s idea that prepaid meters are meant to assist people to budget properly, 80% of respondents indicated that pre-paid water meters would not make it easier for them to budget.

JW Consultation About Prepaid Water Meters

When Operation Gcin’amanzi was launched in September 2003, the Johannesburg City Council claimed that widespread consultation with residents of Phiri had taken place. Brian Hlongwa, mayoral committee member responsible for municipal services entities, stated, “Consultation with residents started eight months ago and they [residents] are fully behind the project.”²⁰ In a Johannesburg Water press release of the same period, Managing Director of the company, Greg Segoneco, said, “the project was introduced

²⁰ Hlongwa quoted in Lucky Sindane, *Mayor Launches R450 million Plan To Save Water*, 4 September 2003 – http://www.joburg.org.za/2003/sept/sep4_water.stm.

in Phiri following a very thorough process of consultation with a wide range of stakeholders in the community. A number of workshops were held to explain the objectives of the project as well as public meetings with all 43 ward committees in Soweto.”²¹ At the time that this survey was conducted, and judging from the protests mounted against the installation of the meters, it would seem that Johannesburg Water was misreading the Phiri community.

Despite these claims, it would also seem that very few people knew about the installation of prepaid water meters prior to the work beginning in Phiri.

Table 14: How did you first know that prepaid water was coming to Phiri?

	N	%
I saw the council workers laying pipes in the street	112	64%
My neighbours told me	25	14%
Councillors told me	16	9%
The municipal water company told me	11	6%
Anti-Privatisation Forum told me	6	3%
Other person told me	4	2%
SANCO told me	0	0%
N=174		

In our survey, the majority of respondents indicated that they found out about the installation of pre-paid water meters in Phiri when they saw workers laying pipes in the streets. Only 6% of respondents indicated that the water company had alerted them to this development. This would seem to indicate that there was very little consultation with Phiri residents about the installation of pre-paid water meters.

In fact, only 16% of respondents specifically mentioned that Johannesburg Water officials consulted with them or

²¹http://www.johannesburgwater.co.za/specialprojects/specialprojects_gcinamanzi.html.

members of their households about prepaid water. Similarly, only 5% of respondents indicated that they received a letter from the council informing them about these developments.

This lack of consultation is further exemplified in the following findings from our survey:

- 54% of respondents thought that the Council was only fixing leaks; they found out about prepaid water meters at a later stage.
- Only 39% of respondents indicated that they attended public meetings called by the councillors or ward committees about prepaid water meters in the last year.
- 94% of respondents felt that they did not have sufficient knowledge about prepaid water and its metering system.
- 96% of respondents indicated that they had never seen a prepaid meter and did not know how it actually worked.
- 81% of respondents indicated that they feared the installation of prepaid water meters.
- 85% of respondents indicated that they felt that they should be able to choose between prepaid meters, flat rates and normal meters.

Table 15: What were you told would happen if you did not agree to have a prepaid water meter installed?

	Yes	No	Total
I have been told that I will pay a lot more later if I don't take a prepaid water meter now.	67%	33%	100%
I have heard about grants been taken away if I don't get a prepaid water meter	42%	58%	100%
I have been threatened with water cut offs, if I don't get a prepaid meter now.	78%	22%	100%
N=174			

In addition to not having been consulted about the installation of pre-paid meters, respondents' answers also indicate that respondents were threatened with accepting prepaid meters or given false information about the system. For example, 67% of respondents said that they had been told that they would pay a lot more for water if they did not accept the meters, while 78% expressly indicated that they had been threatened with cut offs if they did not accept the installation of prepaid meters.

As a result of the lack of consultation and their knowledge about prepaid water, the majority of respondents (81%) indicated that they trust neither the councillors nor the municipality any longer.

Contrary to Johannesburg Water's claims that 98% of residents of Phiri have signed onto the prepaid water system, our research has shown that the initial resistance by residents in Block 1, Phiri, where the prepaid meters were first introduced, was indeed successful – Johannesburg Water moved out of Block 1 and the prepaid meters were not installed. Residents of Block 1 continue to pay a flat rate for water. However, Johannesburg Water moved onto Block 2, where it adopted a different strategy in approaching residents to sign onto the prepaid system. Individual households were visited by Johannesburg Water officials and 'convinced' to sign on. While Johannesburg Water can now claim that 98% of Block 2 have accepted the system, there were initially 27 households in Block 2 refusing to be signed on. They were denied access to any water by Johannesburg Water. Over time, the pressures of living without water became unbearable for most of the resisting households, and today there are just 4 remaining households resisting being signed onto the prepaid system. These households are without access to a regular and reliable supply of water. They are currently being assisted by neighbours and the Anti-Privatisation Forum to pay for the transportation of water from other areas of Soweto into Phiri, Block 2.

Conclusions

Our research findings indicate clearly that residents have fears about the prepaid water system. They fear that they will run out of water, that they will have to compromise their health, that domestic and community conflicts will increase, and that frequently recharging the meter and monitoring water use will add to already strained household tasks. Residents feel that they are being discriminated against, and that they were not offered choices by Council. Residents also expressed the view that if they did not accept the prepaid system, they could be punished in some way. Johannesburg Water has recently insisted that 98% of residents have signed onto the prepaid system. They wrongly infer that signing for prepaid water meters means that people agree with the system. In addition, they have selectively reported on developments in Phiri, trying to silence any signs of resistance to their unilateral plans.

International best practice is not to impose technologies that may harm households, even if households 'agree' to them. Prepaid water meters were banned in the UK, because as common sense shows, not having continuous access to safe water can become a major public health problem. People with credit meters enjoy a much better and safer service aside from getting water before having to pay. The poor on prepaid meters have to pay upfront. The anti-social logic of water prepaid meters is a major social, political and human rights issue.

It was in fact the serious consequences of one of the first prepaid water meter projects, in Madlebe, Kwazulu-Natal, that led to the South African government's decision to introduce the provision of 6 000 litres of free water to every household. When, in 2000, prepaid meters were attached by the local municipality to all free, communal taps in Madlebe and residents required to purchase cards with units for water, people were unable to afford to buy clean water. Instead they turned to dirty streams and rivers, leading

to a cholera epidemic in the area. As a result of the scale of the epidemic, the prepaid system in Madlebe was abandoned.²² In addition, government made a commitment to providing all households with a 'lifeline' of 6,000 litres of water per month free. This amount would provide a household of 8 with 25 litres of water per person per day, the amount recognised by the World Health Organisation as the minimum amount of water necessary for basic human survival. However, the World Health Organisation goes on to highlight the fact that 100 litres of water are needed per person per day in order for an individual to lead a healthy life.²³ This estimate does not include water needed to grow food, respond to emergencies or special needs of the sick, and so on. In Phiri, our research reflected an average household size of 16, double the number used to calculate the amount of water provided free to South African citizens.

In addition, the abandonment of the prepaid project in Madlebe did not translate into a general lesson that all prepaid meters should be banned. Instead, the provision of the 'lifeline' seems to have given government and water providers the 'cover' to proceed with full-scale implementation of the prepaid system as it is now possible to argue that the state's responsibility to provide basic water is being met through the lifeline, over and above which people have to pay. In fact, private water service providers and government are now selling prepaid water meters as a means of delivering the free 6,000 litres.

²² Deedat, Hameda (2002) "Viva Prepaids, Viva! Assessing New Technology for Cost Recovery in the Rural Northern Cape" in *Cost Recovery and the Crisis of Service Delivery in South Africa* edited by David McDonald and John Pape.

²³ World Health Organization (2003), *The Right To Water*
http://www.who.int/water_sanitation_health/rihtowater/en/

While companies like Conlog, council bureaucrats and the Department of Water and Forestry Affairs celebrate the prepaid water meter as helping to “wash away poverty” and “the answer to all the problems of the poor”(see Mike Muller, speech given in Water Week, March 2004), our research indicates that Phiri residents see the prepaid system as a very different way of delivering services. This way prioritises the needs and interests of private companies and individuals with money over the needs of the poor. This way commodifies the basic needs of people in order to make greater parts of the lives of the poor means for making greater profits for the rich. In no way does it offer solutions for the lives of poor people. In no way does it solve poverty.