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The Integrated National Electrification Programme and political democracy

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Abstract
Since the coming of democracy in South Africa, the last decade has been marked by extraordinary, yet positive changes in policy development. Democratic organisation, both as a system of government and as a value system commanding the support of ordinary people, is of key importance in these developments and the implications for South Africa are still being analysed. Noticeable are the fundamental changes in the energy sector where there has been a shift from energy self-reliance and energy security to a more sustainable policy approach driven by economic efficiency, social equity and environment protection. Institutes of Democracy like IDEA (2004) concur with this trend that a strong democratic system must support poverty reduction for meaningful democratic change and, in practice; this is clearly the trend being defined. It is now a sustainable development issue, and voter's confidence that is fast becoming the defining principle and drives for rapid policy change and service delivery in the form of an Integrated National Electrification Programme (INEP) in the energy sector. Policy makers in energy policy acknowledge this phenomenon as defining what is now seen as a 'post-apartheid energy paradigm shift'. In this paper, it is suggested that the National Electrification Programme (NEP) has performed beyond expectation in increasing access to electricity for the poor in the country. It is also argued that, there is now an electrification and political democracy nexus exhibited in social and political development of this country. In this line of thought, the argument given is that one of the reasons why people voted for the ruling party in 1999 and 2000 was the NEP. Furthermore this identified linkage provides policy recommendations that suggest that the government should deliver other basic services in a similar manner in order to gain people's confidence. In South Africa, because of the country's unique social, economic and political history, a trade-off between basic social service delivery and linkage with democracy then becomes very crucial.

Keywords: electrification, policy development, National Electrification Programme, Integrated National Electricity Programme

1 Introduction

The year 2004 was yet another period of great optimism for the majority of South Africans. People were not only celebrating a victory for the ruling part of 74% national votes, but were also excited that this coincided with the celebration of the 10th anniversary of democracy. As government articulates its new policies for the 2004 – 2009 tenure of office, one reflects on the tremendous improvement and dramatic changes in the lives of the people, generally witnessed through improved social infrastructure and particularly social service delivery. The Integrated National Electricity Programme (INEP) under the auspices of the Department of Minerals and Energy has unarguably contributed significantly and productively to government objectives of improving the lives of a historically marginalized section of society brought about by the apartheid regime.

Further noted, is that the Tripartite Alliance has been forged between government; private world and civil society and electrification has been instrumental to a larger extent for this positivism in these developments. This has promoted one key tenet of democracy, participation. Noticeable and observed in this, is the fact there is now an interface between the electrification of poor households and democracy in South Africa.

The government's INEP could save and defend the hard-earned democracy, which depends on the voters. This is an argument clearly elaborated by Olukoshi (2002) in his writings, where he identifies the stated linkages of poverty and democracy. He argues that any methodology for poverty alleviation promotes and sustains democracy through enhancing rights and people participation. Though he

clearly articulates the division, this argument poses between those who insist that democracy must be seen in narrow liberal terms, thus separated from the socio-economic inequalities in society, and commentators who see democracy as linked to living conditions of the majority of the people – a reality clearly unfolding in South Africa. For South Africa, this would then mean deliver as much electricity as possible or any other crucial basic social service such as water, sanitation, telecommunication and housing. A social democratic approach with an entry point of poverty by the government must be re-emphasised and entertained, as this could be a useful investment by the ruling party to make sure that it is in future mandated and legitimised to govern this country. A move away from this social contract especially by the government is tantamount to breaking the bond between the state and civil society.

2 Role of the state and contested terrain

The factor behind South Africa's socio-political and socio-economic development is government's systematic and strategic use of two policy approaches – one neo-Keynesian Reconstruction and Development Programme (RDP) and the other investor friendly and neo-liberal Growth Employment and Redistribution (GEAR). The first approach is in line with true social democratic thinking of increasing government expenditure and creating less taxation. The second approach, GEAR, is based on the ideological principles of the centre-right policies that articulate the liberalisation of the markets, decrease in government expenditure and an increase in taxation. Although this approach is completely contrary to the proposal from the left, it is working successfully in South Africa where there is a great challenge of balancing social concerns and market commercial objectives.

Because of the nature of the political, social and economic history of South Africa, a developmental and interventionist state is desirable so as to increase social expenditure. In the social restructuring and transformation of a country like South Africa, a developmental state should play a leading role in ensuring that the benefits of political democracy are shared and result in fundamental freedoms and improvements in the lives of the people. This could add to the confidence and unreserved trust of the historical marginalized people especially in the ballot box of the still to come 2009 election.

The emerging lessons from South Africa's practical reality in energy and development must be defined, redefined and modelled to suit the whole South African context and not so much copying of predetermined patterns of narrow liberal models from Western world realities. Codoni, in Eberhard and Theron (1992) supports this where they put across the argument that different economic and social realities mean that lessons or methodologies cannot be transferred in a mechanistic manner. Westocentric or Eurocentric development models that worked very well in these countries may not succeed everywhere. Claude Ake noted a decade ago that a unique African democracy would not emerge from a rational blueprint of (western) models but from practical experience grounded in African realities (Hameso, 2002). This 'rational blueprint' was liberal democracy built through people participation. Work on participation demonstrated that participation enhances people articulation for needs and services; of which electrification is one. Thus, government should double its concerted efforts in policies for social development programmes that are specific and contextualised, hence this paper has shown with the Integrated National Electrification Programme, which is a clear example of linking energy to the practice of democracy geared for poverty reduction.

President Thabo Mbeki (2004) has argued that South Africa has a well-balanced democratic economy now, contrary to the economy that was in an advanced state of near-terminal decline two decades ago. This positive economic state had to be translated, with a special focus in job creation and people's social well being in general. In doing so, the country may not be immune also from the global liberalisation of markets, with its sometimes-different agendas that may frustrate a development-oriented state. Despite this aspect, the future is not bleak though.

Socio-economic policy experts recently observed that there is evidence that government is putting efforts to make parastatals companies, including Eskom more efficient, and recently responsive to the poor. Ra up privatisation, organisations policies must have a perspective that has long-term greater benefits for the economy as a whole. This is a clear support of democracy. To a larger extent this is true, because, the African National Congress (ANC) manifesto in the 14 April 2004 elections – the 'people's contract' made a commitment to spend more resources on poverty eradication building economic infrastructure, and creating job opportunities for all. President Mbeki (2004) pointed out that:

- Through government and state–owned enterprises, the ANC will invest more than R100 billion in improving roads, rail and air transport as well as telecommunication and energy;
- It will spend over R15 billion to facilitate Broad-Based Black Economic Empowerment that will also benefit communities i.e. youth, women and people with disabilities as well workers and small businesses;
- While growing the economy, the key challenge will be to match skills that people have to the

needs of the economy; and
- Ensuring greater access for all to quality education.

This commitment slightly shows that there is greater state intervention in the economy in terms of service delivery and a shift from free-market ideology. However, it was noted by Cousins (2004) in a symposium held in the University of Western Cape Programme for Land and Agrarian Studies (PLAAS), that the growth path of the economy, underpinned by the policy choices of the South African government, has centred on skilled jobs and productivity growth in order to compete in global markets, and has led to job losses. Black middle classes were said to be the only beneficiaries of the South Africa political transformation. Furthermore, it was suggested that a pro-poor land reform programme coul ther than to speedd assist in addressing asset poverty and allow people to pursue land-based livelihood strategies. The essence of this viewpoint further emphasized the argument that government must redouble its efforts in bringing about the development of the poor for poverty eradication using any means necessary.

The social investment vision as communicated by the President is unattainable if there is no interaction between various government departments in the execution of this perspective (or new paradigm) of government policy, a challenge under the current problems faced in integrating various department in terms of service delivery. For instance, when looking at the restructuring of the electricity sector particularly the electricity supply industry (ESI), different government departments have differing interests and suggestions about the role of the electricity sector. The Department of Minerals and Energy (DME), Department of Public Enterprises (DPE), Department of Trade and Industry (DTI), National Electricity Regulator (NER), and the National Treasury and Cabinet broadly represent government's vision and objectives about the restructuring of the ESI. However, the difference between these organs of the state is high. Different government department seek distinct policy outcomes from electricity sector restructuring. For instance, the then DME Minister has proactively and consistently advocated that this industry should deliver electricity for all at a very low and affordable price so as to not impact negatively on the broad INEP. The DPE Minister has argued that the benefits of restructuring state owned enterprises (SOE's) is to make them more efficient and unlocking economic value. The DTI on the other end seeks to secure low prices to support the growth of a competitive economy. National Treasury wishes to see growth in foreign direct investment (FDI), and would welcome additional fiscal receipts to reduce the national debts (Trade Knowledge Network, 2002).

In short, progressive interaction or an interdepartmental approach is critical in developing this society view of identifying the crucial role service delivery has on democracy and development. The DME or the Department of Housing (DoH) alone cannot effectively deliver services that promote poverty alleviation unless a holistic approach is reached with interactions from other government departments. It is only this integration that can bring development.

3 Past and present policy approach to electrification

3.1 The Reconstruction and Development Programme electrification process

Policy guiding principles for electrification can be traced way back to the Reconstruction and Development Programme (RDP), which was an election manifesto of the African National Congress (ANC) in 1994. Its content exhibits the desire for a set of policies that will give attention to redressing social, political and economic spheres in South Africa, including the ever-burning issues of race, class and gender.

In 1998, the White Paper on Energy Policy was released which further consolidates and reaffirms the socio-economic objectives of the RDP. In short, the Energy Policy White Paper emphasized the importance of increasing access to affordable energy services, the need for improved energy governance, economic stimulation and development, a key role of managing environment and health related matters, and to secure and diversify energy supply. This period used a target approach as the number of connections measured the progress made, as there was also a lack of electrification guidelines and direction.

Progress of the electrification programme is well articulated under the two sister directorates i.e. the Electrification Directorate and the Integrated National Electrification Programme Business Planning Unit (INEP BPU) within the DME. The Electrification Directorate is responsible for putting in place sensible electrification policy issues whilst the latter is responsible for planning, implementation and funding of electrification through channelling capital subsidies to what is referred to as the Eskom and Municipal Programme. There are noted overlaps in the two directorates within the DME, a factor that must be resolved in order to make sure that there is efficient implementation of policy, guidelines and consistency in the INEP.

3.2 The history of electrification: policy development and rationale

In 1996, almost two years after the new political dispensation, there was a shift to a more investor friendly macro-economic system called the Growth,

Employment and Redistribution (GEAR). One of the fundamental principles of GEAR was to create wealth and employment on a basis of macro-economic stability. This new macro-economic system in its futuristic plans, included policies on small businesses, job creation and skills transfers as an integral part of South Africa's social and economic transformation. Creation of small entrepreneurs was seen as a foundation for wealth and job creation for those previously deprived of economic and business opportunities. There were drawbacks in GEAR that contradicted its vision and mission and to discuss such pros and cons at this point is beyond the scope of this paper. The change of macro-economic approaches, however, led to a policy environment where energy policy developed would be in such a way that it would contribute not only to the RDP but also to the aims of GEAR. Concepts such as restructuring, competition, unbundling and privatisation became ever present in South African Energy Policy for economic transformation.

For the NEP, the year 2000 marked a crucial policy paradigm shift from a target approach to a GIS-based electrification planning model which supports electrification planning that aims at addressing development aspects in an integrated way. This model, as highlighted by Thom (2000), is designed to include demand and supply issues in electrification. Aspects in the electrification planning use user categories include households, businesses, schools, clinics, community centres, agricultural activities, quality of roads access, proximity to major centres or significant employers, income levels, water supply, telephone service and planned developments. These issues originate from the DME's electrification strategic document that gave a policy framework and strategic direction for the NEP. The approval of electrification projects for the first time, it was pointed out, should lead to:

- Job creation in communities,
- Black economic empowerment,
- Skills transfer to communities and
- Skills development to communities.

By showing the RDP target approach in the electrification programme and post-RDP GIS-based planning approach, which also emphasised integration of grid and off-grid technology for electrification, gave undisputable improvement in the programme. Moreover, through this contemporary model for national electrification, there is focus, composure, direction and reliable electricity service delivery especially for the poorer communities.

The current success of the electrification programme results from the efforts by the new government to redefine and understand the energy planning roles of the state, utilities and private energy companies – organisations in civil society. This has been seen through the development of more transparent and effective institutions and processes of energy policy formulation. Also positive indicators show evidence and benefits of national electrification in international and local research especially in areas of job creation, SMME development, environmental protection, security, education, health and overall rural development concerns. These noted benefits of electrification are clearly illustrated by success stories of electrification, with more than 70% of people with electricity translating more confidence to the ruling party through elections.

The success of the INEP has been implemented with distinction compared to other government projects. Delivery has reached deep in the rural areas of the Eastern Cape, KwaZulu-Natal and Limpopo, which have access to electricity although there are still huge electrification backlogs in these provinces. The same provinces are ones receiving a bigger slice of the DME's INEP BPU electrification funding. There is evidence, however, of effective delivery arguments, which, still predict that the extent of delivery will slow down and there will be a massive disconnection as people continue to pay exorbitant prices of electricity. It should be noted that the DME also provides free basic electricity through the Electricity Support Service Tariff (EBSST) as part of the INEP, and soon there will be EBSST for non-grid electrification. The DME hopes that the 'Poverty Tariff' will result in lessening of the energy burden for the rural and urban poor. This yet is to be seen though indicators show contrary trends.

4 Status and progress to date in electrification

The then Minister of Minerals and Energy, Ms Phumzile Mlambo-Ngcuka, announced that since the inception of the electrification programme, the overall money spent on household electrification nationally amounts to 12 billion. She further explained that 5 million houses had been electrified countrywide. To date, eleven thousand nine hundred and seventy six schools and clinics have been electrified nationally (DME, 2004). The programme has greatly contributed to relieving women of the strenuous time spent on activities such long distances for collecting woodfuel, distances that increase when marginal resources are depleted. The use of wood fuel as a source of energy, particularly at household level, has resultant health problems from in-door air pollution because of the smoke from the traditional energy fuels and commercial fuels such as coal affecting mainly women and children. Ms. Mlambo-Ngcuka also pointed out that reports from research indicate that a number of women have been raped while fetching wood or water.

In respect to the above, it is estimated that through the INEP, 80% of the national urban population have electricity and 50% of the rural popula-

tion, in particular the former homelands, are electrified through both grid and non-grid. Therefore, the INEP is contributing significantly to uplifting the standard of living of communities and poverty eradication, which are critical problems faced by post-apartheid South Africa. The table below is the financial allocation by the DME's INEP BPU for 2004/5 financial years. These figures include schools and clinics in the different provinces. INEP BPU is responsible for facilitation, managing, co-ordination and financing of the national electrification programme on a national scale. The DME and INEP budget is planned on the basis of a 3-year rolling plan, and from the years 2004/5, 2005/6 and 2006/7.

An examination of the 2004/5 figures, which are significant because of the financial year, indicate that these are provisional and a wish list. These are both for the municipal and Eskom programmes. Allocation is only for household electrification, schools and clinics and there is nothing clearly visible for farm-worker houses. Electrification of farm-worker houses is important and a mammoth challenge, especially in the Western Cape. This has to be attended to in the areas such as Beaufort West, Paarl, Stellenbosch, Worcester and George. In sum therefore, the figures and allocation above are not truly reflective of the national government's commitment to social development through increased social expenditure, which was the core of the African National Congress (ANC) 2004 election manifesto.

4.1 Municipal electrification programme for 2004/5

Applications for funding received from municipalities for the 2004/5 Financial Year amounted to R975.733 million, with an average cost per con-

Table 1: Proposed allocation per province based on backlog and development nodal zones
Source: DME (2004)

Province	*Households not electrified*	*Percentage not electrified*	*Total municipal allocation*	*Total Eskom allocation*	*Total non-grid allocation*	*Total allocation*	*Percentage allocation*
Eastern Cape	610 623	16.71	50 501 500	217 237 600	19 550 000	287 289 100	26.91
Free State	216 810	5.93	27 327 591	12 147 035	0	39 474 626	3.70
Gauteng	684 001	18.72	35 970 000	41 430 194	0	77 400 194	7.25
Kwazulu Natal	979 724	26.82	56 179 000	155 471 080	35 550 000	247 200 080	23.16
Limpopo	423 878	11.60	10 218 400	160 854 937	21 900 000	192 973 337	18.08
Mpumalanga	207 063	5.67	28 289 009	26 090 040	0	54 379 049	5.09
North West	261 434	7.16	10 557 800	83 328 397	0	93 886 197	8.80
Northern Cape	69 896	1.91	4 937 400	19 998 198	0	24 935 598	2.34
Western Cape	200 131	5.48	23 596 200	26 271 619	0	49 867 819	4.67
Total	3 653 560		247 576 900	742 829 100	77 000 000	1 067 406 000	

Table 2: Summary of municipal household applications for funding and actual allocations
Source: DME (2004)

Province	*Applications received*			*Actual allocations*		
	Connections	*Capital*	*Cost per connection*	*Connections*	*Capital*	*Cost per connection*
Eastern Cape	61 712	220 515 075	3 573	16 258	48 606 500	2 990
Free State	20 020	82 202 379	4 106	3 550	27 327 591	7 698
Gauteng	41 314	152 092 867	3 681	11 614	35 970 000	3 097
Kwazulu Natal	45 517	163 265 395	3 587	17 766	56 000 000	3 152
Limpopo	22 358	81 331 886	3 638	3 199	9 916 900	3 100
Mpumalanga	31 678	95 063 888	3 001	9 444	28 213 009	2 987
North West	8 515	94 810 768	11 135	3 368	10 440 800	3 100
Northern Cape	4 431	28 915 094	6 526	1 490	4 929 000	3 308
Western Cape	14 681	57 536 048	3 919	7 689	23 596 200	3 069
Total	250 226	975 733 400	3 899	74 378	245 000 000	3 294

nection of R3. 899. This amount exceeded the capital available for municipal electrification by a factor of four, thus requiring reduction in proposed allocations.

The DME and government in general give highest priority to Presidential Projects such as Integrated Sustainable Rural Development Planning (ISRDP) and the Urban Renewal Project. These two projects focus on the development of the rural and urban poor communities where there is great deprivation. These two projects, furthermore, seek to invest in economic and social infrastructure, human resource development, enterprise development and enhancement of the development of local government in those communities. The DME INEP BPU argues that of the R245 million allocated to the municipalities for household electrification, R116 million (47%) was allocated to approved development of the nodal zones. The INEP current trend is to integrate electrification to all other government developmental oriented projects such those mention previously, and the Expanded Public Works Programme to uproot and eradicate poverty.

4.2 Eskom electrification programme for 2004/5

The DME (2004) asserts that seven Eskom Regions were requested in September 2003 to submit regional programs for funding by the end October 2003. The INEP BP Unit did not evaluate individual projects from the seven Eskom regions but evaluated each programme from the regions. The requests from the regional programmes received totalled R702 million for 174 069 connections.

About R641.156 million was allocated to Eskom household connections, and R304.47 million

Table 3: Summary of Eskom's actual households allocations
Source: DME (2004)

Province	*Eskom household capital allocation*	*Connections*	*Cost per connection*
Eastern Cape	191 936 100	37 614	5 103
Free State	9 957 704	3 509	2 838
Gauteng	41 279 714	14 777	2 794
Kwazulu Natal	129 496 020	24 216	5 348
Limpopo	138 564 421	42 266	3 278
Mpumalanga	10 515 360	4 600	2 286
North West	74 965 717	19 528	3 839
Northern Cape	18 739 345	4 761	3 936
Western Cape	25 701 619	9 098	2 825
Total	641 156 000	160 369	3 998

Table 4: Summary of schools and clinics allocation
Source: DME (2004)

Province	*Municipality*		*Eskom*		*Total schools and clinics electrification*	
	Municipal schools and clinics capital allocation	*Conn*	*Eskom schools and clinics capital allocation*	*Conn*	*Total schools and clinics capital allocation*	*Conn*
Eastern Cape	1 895 000	24	25 301 500	310	27 196 500	334
Free State	0		2 189 331	52	2 189 331	52
Gauteng	0		150 480	4	150 480	4
Kwazulu Natal	179 000	2	25 975 060	280	26 154 060	282
Limpopo	301 500	4	22 290 516	282	22 592 016	286
Mpumalanga	76 000	1	15 574 680	212	15 650 680	213
North West	117 000	2	8 362 680	99	8 479 680	101
Northern Cape	8 400	1	1 258 853	2	1 267 253	3
Western Cape	0		570 000	4	570 000	4
Total	2 576 900	34	101 673 100	1 245	104 250 000	1 279

(47.5%) rand was allocated specifically for the development nodal zones. The same strategic decision was adopted as per the municipalities for the finalisation of the Eskom allocations.

Table 5: Non-grid household allocations 2004/5
Source: DME (2004)

Province	*Actual allocations*		
	Connections	*Capital*	*Cost per connection*
Eastern Cape	4 344	19 550 000	4 500
Kwazulu Natal	7 900	35 550 000	4 500
Limpopo	4 867	21 900 000	4 500
Total	17 111	77 000 000	4 500

The three provinces listed in Table 5 above have topographical problems and a wide dispersal of population and, as a result, it is extremely difficult for grid electrification to take place. Thus, alternative means of providing energy services to these areas have to be considered, e.g. non-grid technologies. For these three provinces, the INEP non-grid electrification programme is used.

5 The importance of an inter-departmental approach

A cross-sectoral approach makes it easier and feasible for the 'cross-pollination' of ideas and resources for the social service delivery and local economic development communities. The DME realises that an integrated interdepartmental approach is a prerequisite and panacea for the implementation of national projects. For example, besides electrification planning, the DME's INEP BPU ensures that the electrification programme is integrated to other development programmes such as the Integrated Sustainable Rural Development Plan (ISRDP), Urban Renewal Project (URP), Expanded Public Works Programme (EPWP) and the municipalities' Integrated Development Plan (IDPs).

A perfect example that showcases the need of this approach is the Central Karoo (Nodal Zone) in the Western Cape that covers Laingsburg, Beaufort West and Prince Albert. In this nodal area, the DME has allocated an electrification subsidy to the Beaufort West and Laingsburg municipalities and some of the funds were not spent for 2003/4 due to slow delivery of houses. In the ISRDP or URP forums, these complexities are solved because all the organs of the state are represented together with other stakeholders. Our inter-governmental political system combined with inter-sectoral and inter-sphere communication that leads to collectivism in terms of pulling resources together and expedites social progress, and have a cohesive development package to eradicate poverty is important.

6 Conclusion

This paper clearly illustrates that there is indeed a linkage between the INEP and the current democratic arrangements. Historically, a deprived black majority have now access to the grid and non-grid electricity; and as it is visualised by the DME. There is hope therefore that by 2030 there will be universal access to electricity. It has been shown that government has responded to the social contract it had with people of this country. To all social services delivered, electrification to the layman has become a symbol of democracy. The biggest challenge facing the INEP nationally, however, is to ensure that a Broad Based Black Economic Strategy is implemented and that there are SMME's to put those disadvantaged in the past in economic mainstream; job creation and local capacity building eventually.

Policies are in place, the dilemma is implementation, for example capital subsidies to electricity distributors such as Eskom and municipalities are always accompanied by a reminder of the BEE policy. There is even a standard reporting format on Broad Based Social Economic Empowerment (BBSEE) to show the full compliance and dedication by those getting capital subsidies and to ensure that the BEE policy is possible through the INEP. DME Regional Energisation Managers (Electrification Planners) in all nine provinces of South Africa have to monitor Eskom and the municipality programme in the implementation of the BEE policy as articulated by the DME because the INEP should unarguable and undoubtedly contribute in economic transformation of the previously suppressed communities. Another crucial issue is amicable interaction between stakeholders inter-sectorally in order to cross-pollinate ideas and resources for social service and social infrastructure delivery.

Although it was hard, this paper has attempted to explain this hypothesis; it still holds for the South African context that without electrification, it was going to be hard for the poor to understand the democratic order of South Africa. Consequently, extending access to affordable electricity to the poor is one of the national assignments that was performed with excellence by the government and DME. To sum up, it is clear that for the South African context promoting a poverty alleviation strategy is clearly a tool to promote democracy. Though presently the stated linkages of electrification and poverty alleviation in the South African context have been seen only in an indirect benefit analysis. This mainly is linked to the difficulty of quantifying qualitative benefits and contribution to the national economy has not been fully explored. Equally, research into analysing people's perception over the benefits of electrifications in relation to poverty alleviation, especially within the framework of democracy and social contract, would be recommended as key research issues.

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