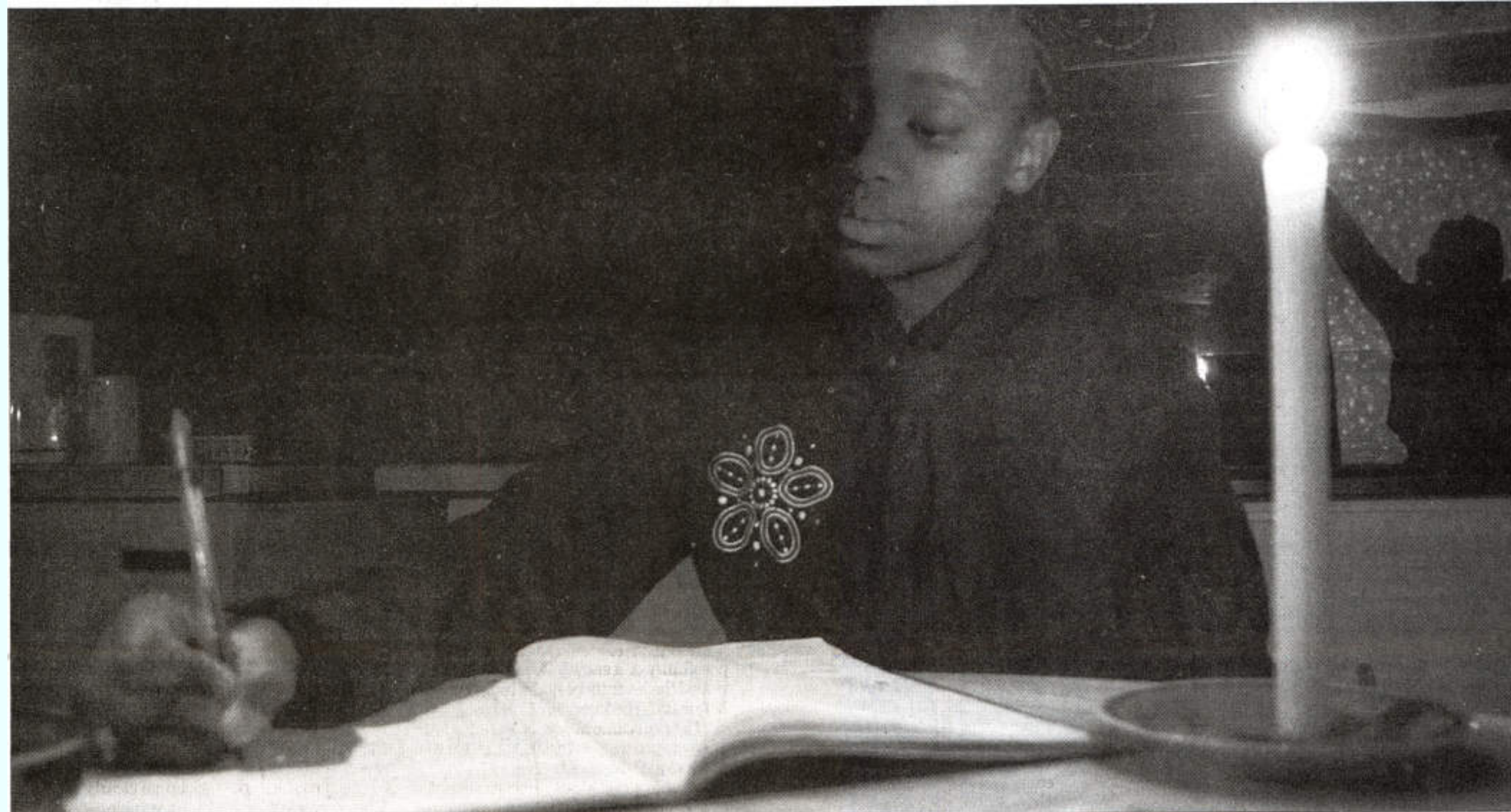


LACK OF ELECTRICITY COSTS THE POOR

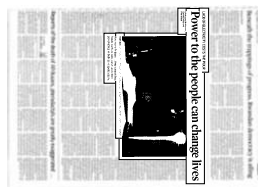
# Power to the people can change lives

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**FAINT HOPE:** School children living in informal settlements where there is no electricity must finish their homework before sundown or do it by candlelight.

Having no fridges ... they cannot buy foods such as milk, meat and other perishables in bulk as it spoils easily.



IT WAS a sunny Cape Town winter's day, but as we sat in Linda's shack interviewing her about her energy uses and needs, we steadily grew colder and colder.

No sun filtered through the small window; there was no ceiling, just a corrugated iron roof and walls constructed from worn wooden planks offering scant protection against the elements. Linda's walls were adorned with faded pictures.

She is one of 56 families living in an informal settlement in Grassy Park on the Cape Flats. In 2006, 63 families occupied the vacant land, many having moved from unbearable overcrowding in backyard shacks, or after eviction through inability to pay rent, or because of homelessness.

They did not come from the rural areas as is often assumed of people living in informal shack settlements, and most of them have been urban dwellers since birth.

These families cannot stay on this land, it will never be serviced by the city, and so their precarious existence continues each day in fear of their being forcibly removed to a settlement 30km away on the urban fringes of Cape Town, without adequate housing and far from economic opportunities and service infrastructure.

● South Africa is 63 percent urbanised (AMPS 2009), with some studies estimating that 40 percent of urban dwellers live in poverty (Parnell 2004, DPLG, 2003).

● At least 10 percent of South Africa's population (4.4 million people) live in urban informal settlements comprising 1.2 million households (Misselhorn, 2010).

● There are 2 700 informal settlements across South Africa (Minister of Social Development and Public Works, 2010).

● Twenty-three percent of the households in South Africa's nine largest cities are estimated to be without adequate shelter (State of Cities Report, 2007).

● Cape Town has about 240 informal settlements (an increase of 10 percent since 2005), mainly on the periphery of the central city and with a population of 750 000 (Cape Argus, March 2007).

● There are about 904 000 households in Cape Town, of which 150 000 are classified as informal. An additional 250 000 households live in shacks in overcrowded conditions in the backyards of formal suburbs. This amounts to a housing backlog of 400 000 – estimated to be growing at a net 18 000 households a year because of migration (Adlard, 2008).

Trends indicate that informality is here to stay and is growing at an unprecedented rate; and this is the case not only in South Africa, but

across the developing world. Income inequality and poverty are found to be among the structural factors

underpinning this growth, with South Africa's largest cities displaying a Gini coefficient (a measure of income inequality, with 0 being equal and 1 being entirely unequal) of more than 0.7.

UN Habitat projects slum growth to be the dominant form of urban growth over the next 20 years in Africa. This stark reality of urban informality poses a major and staggering challenge for governments and cities.

President Jacob Zuma recently announced plans to build 400 000 homes by 2014 for people living in shacks and that these homes would have access to essential services (Cape Times, July 23, 2010). This is a start, but will not resolve the enormous problem, given current figures and the expected increases.

The government has a number of progressive policies in place addressing the needs of the poor and enabling them to access free basic services.

One such policy is the Department of Energy's free basic alternative energy, where households without electricity qualify for a subsidy towards their household energy expenditure. This could cover part of the costs for fuels such as liquefied petroleum gas (LPG), paraffin, candles or gel fuel.

Many municipalities have not been able to deliver free basic alternative energy as there are huge challenges in funding, administering and monitoring the subsidy, unlike free basic electricity that can be managed at source.

Although municipalities receive budgets to deliver free basic services, these are not sufficient to cover the costs for all indigent and poor households. Often money spent on providing free basic services means

that infrastructure is not maintained sufficiently, leading to leaks and losses in transmission.

But more important, the poorest of the poor fall through the gaps.

There is a need for cities to be supported with practical, implementable options and action plans to improve the welfare of this marginalised sector of society.

The informal settlement that we visited was serviced with 17 outside bucket toilets, cleaned twice a week and shared by 270 people – an obviously unhygienic and uncomfortable living condition. What about the elderly, the infirm and young children?

There are seven outside cold water taps for all 56 households in the settlement – only six households are lucky enough to have a tap in their shack. No electricity is provided at the settlement. The purpose of our visit was to find out about energy uses, needs and expenditure of families living in unelectrified informal settlements.

The residents with whom we engaged said they used LPG for cooking, heating water for bathing and laundry use and, when they could afford it, for heating their homes. To meet their lighting needs

they use a packet of candles a day and paraffin lamps that use about two litres of paraffin a week.

The calculated monthly expenditure on LPG borne by these households varied from R300 to R600 a month. Candles cost R13 a packet and two litres of paraffin cost R18. These prices fluctuate depending on where the energy source is purchased and whether the fuel is regulated.

For entertainment, if these households can afford the costs, they pay between R20 and R30 at least twice a week to charge a car battery so they can watch television.

On rainy winter days, two or three neighbours pool their money to hire a petrol-operated generator to power a washing machine costing R120 a time to hire and R30 worth of petrol to run.

These energy costs are exorbitant and burdensome, particularly in proportion to their overall income. It is well documented that the poor spend between 15 and 25 percent of their income on energy compared with mid- to high-income households, which spend a mere 3 to 5 percent.

Access to basic resources, including energy, is essential to life. Cities and national governments have realised the critical importance of

energy as the backbone of economic growth, sustainable livelihoods and human development.

Not having fridges compels these households to make unaffordable and high food expenditures. They cannot buy foods such as milk, meat and other perishables in bulk as it spoils easily, particularly in summer. This means they cannot cook in large quantities and save on the use of LPG.

Studies have shown that the rise in the prices of fuels such as electricity and paraffin has an adverse impact on low-income households in that they opt to cook food that takes less time to prepare, such as fried food, and eat unbalanced meals with the lowest nutritional value, often leading to malnutrition in children.

One of the respondents interviewed complained bitterly about "living in the dark" because of the lack of proper lighting. "I am tired of romantic candlelit dinners."

Another family said not having electric lighting was hard on the children as they had to complete their homework immediately after returning from school during the disappearing daylight hours or struggled by the flickering light of candles to do it.

This has huge effects on studying and educational achievement. Parents face hard choices – when they

can't afford to buy yet another packet of candles, their children's education suffers.

We also interviewed people living in "backyard dwellings". These are shacks built on to the main house to accommodate families who can't afford to live independently.

These homes receive electricity through precarious makeshift cable extensions from the main house. What this means is that the electricity consumption of the backyard dwellers and the main household (recognised as one household with regard to how electricity is supplied in a municipality) exceeds the cut-off for free basic electricity. To qualify for 50kWh of free electricity offered by the government, a household must use less than 400kWh a month – in effect spending between R240 and R340 a month.

This does not take into consideration where you live, family size, how many households are connected to one meter, and employment status, among other factors.

So a typical professional earning more than R10 000 a month (which is substantially higher than the total income of an indigent household in an informal settlement), using less than 400 kWh a month, will automatically qualify to receive 50 units of free electricity, while a household of seven people living in a low-income area, with a household income of just under R3 000 a month and accommodating another family in a backyard shack, will not be eligible for free electricity.

With the recent implementation of the new Cape Town electricity tariff structure (July 1), such households pay more for a unit of electricity as they are deemed to be a high consumer and in some cases may even have to pay a service charge of almost R7 a day because they are at the highest domestic rate.

Alongside this, what is the impact of this level of consumption on electricity infrastructure set up by the municipality for a limited number of households?

Given that informality is here to stay and from our interviews, it is clear that free basic services and in particular the free basic alternative energy subsidy for those living in non-electrified settlements would make the lives of the poor easier.

It would possibly put one more meal on the table or buy paraffin or candles so children can study at night. But what it would not do is solve the longer-term housing and basic service needs of many people in our cities.

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