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DAY OF DECENT WORK

Understanding

Eskom's crisis:

The Solution is not the State but People's Power

During the Parliamentary oral question and answer session, President Cyril Ramaphosa said 'South Africans will have to brace themselves for continued rolling blackouts.' When load-shedding is ramped up to stage 6, life becomes a nightmare for many citizens, small medium enterprises and in particular patients who are on life support machines at home.

On the other hand, the newly appointed Minister of Electricity, Dr. Kgosientsho Ramokgopa argued that 'with an increase in

'It's unfair that communities living at the doorstep of a large power station do not have electricity'

- Lephale Case Study reveals

planned maintenance over the coming months, intense load shedding will be a 'short-term pain' but there will be 'long-term gain.'

Prof Lucien van der Walt, Neil Aggett Labour Studies Unit, elaborates that 'ESKOM's ongoing crisis is a huge strain on working and poor people in South Africa.

It affects everything from child-care to access to education and jobs, to safety. How we understand the crisis has deep implications for the solutions – and where the working-class movement should

position itself. The blame lies in a toxic mixture of state failure, and neo-liberal measures. The solution does not lie in more state interventions, but in working-class struggles to expand popular and community control over the power sector, and to decentralise it where possible. ESKOM is now literally a national disaster. It is important to think of concrete actions that can defend the class, but also build an independent popular movement for jobs, dignity and self-management.'

What is ESKOM and who owns it?

The operations and structure of ESKOM are not simply technical issues, but ones deeply embedded in the specific structure and history of the South African state, by its interrelations with big business, and by the larger patterns of class power in which these operated.

Simply put, ESKOM has never been the property of the public as a whole but has always been a state-owned-corporation (SOC). As such, it is a top-down organisation, controlled primarily by a small group of senior politicians, state officials and top managers. It serves this state elite's economic and political interests, and this group works with a small private elite, representing big private businesses. This state and private elite together make up the ruling class of South Africa.

ESKOM is top-down precisely in order to allow a small elite to hold the levers of power and direct its resources in ways that benefit the ruling class and its various projects; its top-down character is typical of state operations, at all levels of government, and parallels that are seen in the private sector.

Eskom is not "public" property

The misguided belief that ESKOM is a "public" corporation is partly due to the widespread mislabelling of the state sector as the "public" sector, the state bureaucracy as the "public service," and state property

as "public property."

Ordinary people have in reality, no more ownership or real control over ESKOM than they do over giant local firms like Anglo, MTN, Sanlam, or of giant foreign firms like Lonmin or VW.

And ESKOM is truly gigantic: in 2018 it was the 4th largest single Africa-based profit-making corporation, well ahead of Anglo and the rest. It is a multinational corporation, with operations in over 25 countries.

ESKOM is firmly in the hands of government ministers and senior state officials. These days this is through the Department of Public Enterprises and the Department of Mineral Resources and Energy; it is regulated by laws and policies that the "public" never wrote. It is obvious, after 20 years of load-shedding, that the views of the working-class and poor have no impact on it.

If it was run by the "public," why were ESKOM staff cut from 66,000 in 1984 to 30,000 in 2004? Many commentators complain that ESKOM is bloated, but even with 17 000 jobs added by 2018, staffing remains below that of 40 years back.

Despite low-wattage connections to many homes, load-shedding and cuts, prices for electricity for household use rose eight-fold from 1980 to 2005. Working-class people pay much of the taxes that bail-out ESKOM, for municipal mark-ups, and for back-

ups against ESKOM's failures: candles, batteries, generators.

That does not mean that ESKOM has no benefits to the broad working-class. Obviously, workers need wages. Government and private businesses, the main employers, rely on ESKOM: it is responsible for around 95% of the country's electricity supply.

Rolling blackouts disrupt the economy and cost jobs. Mass unemployment and energy poverty are not in the interest of the working-class, while a boom can strengthen workers.

Electrical power is safer and cleaner than alternatives like paraffin stoves or wood, and the expansion of ESKOM's roll-out to working-class and poor households over the last 40 years is a massive victory.

However, meeting the needs of ordinary people has never been ESKOM's primary aim or activity. This is nothing new, and is not the result of ANC policies or of neo-liberalism, having started long before either. ESKOM spent years running ridiculous adverts telling people to put off their TVs and kettles, and skip washing, to help the power stay on. But ordinary people consume a small amount of ESKOM's supplies, with residential households using less than 16% of the total.

Eskom's history as a guide to the present crisis ESKOM was formed in 1923 as the Electricity

Supply Commission (Escom), to supplement the power stations then owned by the state (mainly municipalities) and private firms (mainly the mines). Its priorities were, first, to ensure reliable power to the state, including to other SOCs, and second, to assist private industry with cheap power.

It is important to stress that ESKOM and other SOCs were never just about enabling private capitalist accumulation. They were deeply shaped by the character of the state itself, by competing political as well as economic agendas, and by what was happening in the larger (class) society.

The ruling class – private capitalists as well as those running the state – owns and controls all the key administrative, coercive and productive resources, but is internally divided, with rival projects and blocs that engage in struggles about how to rule the popular classes.

Class Formation and SOCs

For example, from the 1920s to the 1970s, successive National Party (NP) headed governments used the state for an Afrikaner nationalist project. This promoted local industrialisation through state aid, in order to weaken the (foreign owned) mines and weaken British imperial power. SOCs were used to boost local (white, especially Afrikaner) capitalists against foreign capitalists.

They were also used to engineer society by, for example, creating jobs for poor whites and were a source of income and patronage for senior politicians, key voters, favoured businesses, certain union leaders, and for propping up the homelands system.

This system broke down from the late 1970s. This was partly due to its internal contradictions, but also because South African state – segregated, fractured and riddled with patronage and cadre deployment – was unable to develop or implement a new model.

The way was open for neo-liberalism, first adopted by the NP, then after 1994 by the ANC. ESKOM gutted its staff, pursued profit, ran down its infrastructure, and reconfigured its deals with the private sector. Tenders and outsourcing were then corrupted on an unprecedented scale in the Zuma period.

Not Just “Neo-Liberalism” or Funding

While neo-liberalism is clearly a big part of the ESKOM mess and has reinforced the SOC’s top-down approach, ESKOM’s problems cannot be reduced to neoliberalism.

Neo-liberalism develops differently according to context. It was shaped by the history and fractured structure of the South African state, and its evolution into a non-racial

bourgeois democracy.

The old system of using SOCs for patronage and enrichment continued, the earlier Afrikanerisation replaced by rapid Africanisation as part of BEE. The ANC’s nationalist project linked neo-liberal measures to BEE, and linked BEE to ANC patronage. The astonishing mismanagement that saw the Medupi, Kusile and Ingula expansions run R400 billion over budget, and still not fully operational, cannot just be accounted for by neo-liberalism.

What is to be done?

The starting point is that, just like private corporations, SOCs are outside of popular control. The only way that ordinary people can truly exert control over them is through struggle. For example, it was due to the struggles of the 1980s and early 1990s that over 3 million (mainly black) households were added to the grid from 1990-2005.

But what should be the aims and forms of such a struggle in the present?

Initially, to fight against the impacts of the ESKOM disaster such as price increases and higher taxes. The shortfall in ESKOM’s budget must be funded by the recovery of money looted by both politicians and business. This is part of forcing more immediate reforms on ESKOM but can be part of a larger push to rebuild building working-class power.

ESKOM has destroyed the old myth that state ownership is a progressive alternative to capitalism and shows that state ownership is the opposite of workers’ control.

The project of capturing state power is a dead-end. It shows how SOCs, the state and private corporations are structured to ensure the rule of the few over the many.

The masses are disempowered, and, in the neo-liberal era, face intensifying isolation, fragmentation and social decay, while fear and anger intensify. The state, the betrayals of the main political parties, and the crisis of the statist left, are central to the weakening of working-class organisations.

ESKOM and other bodies that control vast resources cannot be ignored, but the aim is not just reforms, but fundamentally shifting power by building an alternative. What we need to fight for is an emergent working-class democracy, outside of (but fighting) the powers vested in, the state, capital and the anti-democratic, consumerist neo-liberal world order.

From this perspective, it is about immersion in and with the people rather than looking to Big Men and parties.

It’s about starting with winnable struggles that build agency and self-management, link up neighbours, workmates and

family members – rather than rehashing slogans.

Viewed in this way, everything from forcing ESKOM to be more accountable, to pushing for a return of municipal power stations, to building community-owned generation capacity are all valuable to the extent that they help build a self-managed counter-power, local, inclusive, tolerant political initiatives that can anchor larger, national movements.

It’s a long march, but one step at a time.

[1] based on Lucien van der Walt, 2 March 2023, panel presentation for “ESKOM Crisis: Is there Still a Place for Public Ownership?,” panel presentation, International Labour Research and Information Group (ILRIG), Cape Town, online 2 March. The video of the event, including the PSI’s Sandra van Niekerk’s presentation, is online at <https://ilrigsa.org.za/webinar-eskom-crisis-is-there-still-a-place-for-public-ownership/> and a published version of Sandra’s talk is in also in this issue of “Workers World News” media, which can be accessed at <https://ilrigsa.org.za/workers-world-news-issue-124/>

Article written by Prof Lucien van der Walt, Neil Aggett Labour Studies Unit, April 2023, “Workers World News” number 124 (ILRIG) [1]