

Community participation in rural electrification

**Community-based organisations for operation,
maintenance and administration in rural electrification**

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Executive summary

The experience in South Africa

Within the broad context of rural development, community-based organisations (CBOs) are perceived as the elixir to ensure sustainability and empowerment. Projects justify the development of such organisations because of benefits ranging from cost reduction to community participation. Within a rural electrification programme there are potential gains associated with devolving certain functions, such as operation, maintenance and administration (OMA), to CBOs, but in South Africa there is relatively little experience of establishing CBOs to fulfil these functions in the electrification programme. Where some of these functions have been devolved to local communities in the South African electrification programme, the main reason for this has been the desire for cost savings. Two types of CBOs have been established by Eskom: the first, and more common arrangement, has been the devolution of certain OMA functions – most notably revenue collection and management, to *vending agents*. The second type of CBO, *electricity agencies*, have been established in both solar and 2.5A current limited supply electrification pilot projects, and have seen more functions being devolved, including revenue collection and management, maintenance, disconnections and new connections, user education, and marketing and promotion of electricity.

Lessons from the experience

One of the main problems facing Eskom is ensuring the financial accountability of local vending agents and electricity agencies. Vending agents roll over (or 'borrow') money and end up in debt. Part of the problem is that the systems to support financial accountability have not been well established. Another problem is that there are too few Eskom staff members to supervise the vendors. In the Northern Province, there has also been a large staff turn-over, making it difficult to establish good relationships with vendors.

The Mafefe Electricity Agency, established in one of the 2.5A current-limited supply projects, has been criticised on the basis that it was not established in a transparent manner, that it lacks legitimacy in the community and is almost impossible to 'keep' accountable. Research undertaken found that there was virtually no knowledge amongst people generally of the Electricity Agency that was to be established in Mafefe. There was little participation in defining the nature of the organisation, how it would relate to other organisations or what roles and functions it would play. As a result, power struggles in the community were exacerbated and it has proved difficult to ensure accountability.

A number of problems with the quality of service provided by the electricity agencies have arisen, mostly as a result of poor communication between Eskom, the agencies and community members. Problems have been experienced with the quality of service given by the vending agents. As people are generally appointed on the basis of their business skills they are not equipped to deal with customer complaints and queries. Furthermore, it was found that training of the electricity agency members had not occurred.

Establishing sustainable CBOs

Sustainability versus self-sustaining

Perhaps the most important insight to inform this work is that the concept of sustainability of CBOs does not mean that they are self-sustaining. In other words, external inputs are essential to effective operation of community-based organisation. This means that effort should be made to define the types of interaction and assistance which is required for long-term viability, rather than being concerned with how to enable CBOs to operate without any external inputs. Eskom, or any future electricity utility, cannot absolve itself from responsibility for ensuring that an agent is able to fulfil his/her responsibilities as support and supervision are essential: regular meetings, appropriate accounting systems, regular reconciliation of the books and revenue collected and training of the agent should be facilitated.

Community mechanisms to ensure accountability

There are a number of ways in which communities can be involved in keeping CBOs accountable. It is not sufficient just to involve communities in the election of people to these positions. Constituting a higher decision-making authority, such as an annual general meeting or a board, are ways of involving community members. Although important, it is also clear that these mechanisms do not necessarily guarantee that the organisation will be accountable. Success is largely dependent on the capacity of community members to participate actively in this task. The establishment of transparent rules and the provision of sufficient and appropriate information will assist in this task.

Incentives to participate

The provision of incentives to participate in CBOs was observed to be important in the long-run sustainability of these organisations, as people participate on the basis of gains and benefits. In other sectors, such as the provision of water to rural areas, cash incentives have been used to stimulate the efficacy of CBOs. Volunteer positions often place a burden on people as the responsibilities, time and effort outweighed the benefits of being involved.

Power relations within CBO

Communities are not homogenous: social relations of power, such as gender and class, differentiate community members and CBOs most often reproduce the social stratifications in that community. In other words, positions of power are more than likely to be occupied by wealthier, more powerful individuals (usually men). While it is important to include marginal groups, such as women and poorer people, capacity building strategies to ensure that they are able to contribute equally with other CBO members must also be put in place.

Implications for the electricity utility

One of the major implications of building CBOs is that fieldstaff have to become facilitators and organisers, work which is traditionally associated with unions and NGOs. To institute a practice which will build the capacity of CBOs to fulfil operation and administrative functions in rural communities is a difficult task for an electricity utility due to its organisational culture and form. We would propose that Eskom, or the future electricity utility, does not constitute electricity agencies which devolve a wide range of functions; rather, we would recommend that Eskom subcontracts these functions to an organisation, such as an NGO, which has the organisational culture and skills to support CBOs. Eskom would retain its marketing function and controls over revenue collection. However, there does seem to be the possibility of continuing to establish and improve the sustainability, accountability and efficacy of vending agents. It is worthwhile stressing that the restructuring of the electricity distribution industry offers an opportunity to shift the practice of the technical delivery of electricity to prioritise and resource an investment in human development, through improving the approach to delivery as well as emphasising the need to build the capacity of rural people.

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2.1 The Mafefe Electricity Agency⁴

The establishment of an electricity agency was one of the components of the 2.5A pilot project at Mafefe in the Northern Province, whereby the Agency was to perform certain 'customer service' and maintenance functions on behalf of Eskom. The benefit to the 'community' of such an arrangement would arise from 'the fact that they will have *full participation in all matters* concerning electricity in their village' (Eskom 1995, emphasis added). Furthermore, a '24 hour maintenance service' would be provided to the people of Mafefe, and, in addition, the Agency would perform all functions necessary for revenue management on behalf of Eskom.

The structure and governance of the Mafefe Agency

Defining the structure of the Mafefe Agency is not an easy task, because of the ambiguous boundaries between the various parties involved, as well as the conflation of governance and operational roles. Figure 1 sets the Electricity Agency staff apart from the Electricity Committee, the Tribal Authority and the Kgoshi – although this separation does not exist in reality. Both the Kgoshi and Electricity Committee are implicated in the Agency: Eskom negotiated the contract with the Mafefe Electricity Committee and the Kgoshi signed the Agency contract with Eskom on behalf of the Mafefe community.

The Electricity Committee plays the management role in the Agency and employs the personnel of the Agency. In the contractual agreement with Eskom it was suggested that three full-time staff members be employed by the Mafefe Agency: one low-voltage official, one low-voltage assistant official and one clerk. However, four people are employed – two administration clerks and two maintenance officials. The jobs were advertised at Mafefe and Eskom was not involved in the selection process, which was carried out by the Electricity Committee. The maintenance officials had previously worked on the electrification project and were appointed to their current position because they were the best two workers. Agency staff are paid monthly salaries by the Electricity Committee.

A range of operational functions are undertaken by the Electricity Committee. For instance, it informed people about changes in tariffs, such as the increase in the flat rate tariff. When the Agency staff receive complaints they direct them to the Committee, which also deals with problems of non-payment. Liaison with Eskom about disconnections or any other customer complaints is undertaken by the Committee and not the Agency staff.

⁴ Most of the information in this section is from the pre-electrification research undertaken by Cecile Thom (1996) and the post-electrification research undertaken by Marlett Wentzel and the Land Reform Research Group (1997). In addition to this, interviews with Eskom employees who have had experience of the Mafefe Electricity Agency were undertaken and the Mafefe Electricity Agency contract (Eskom 1995) was examined.

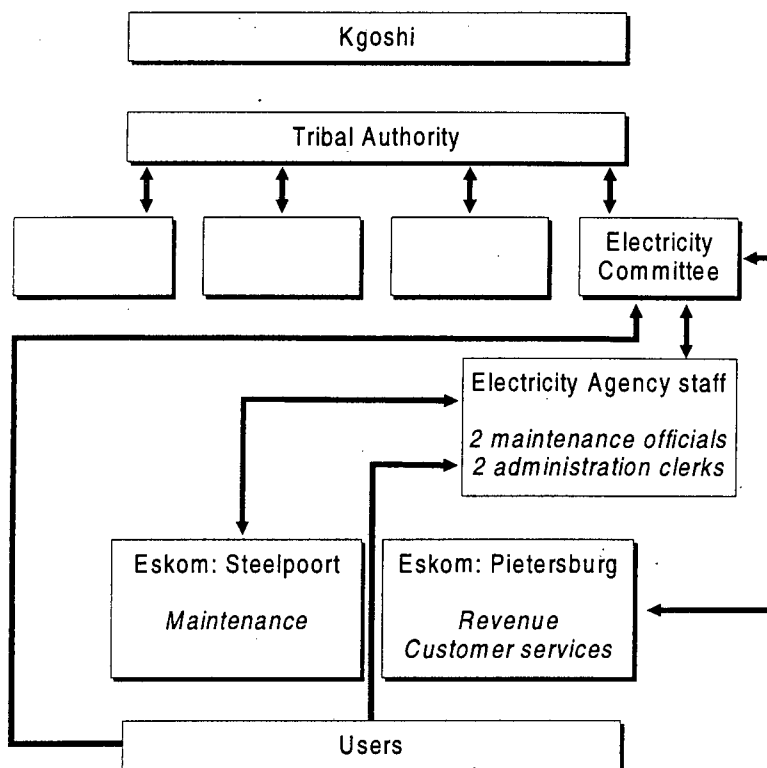


Figure 1: Mafele Electricity Agency

The responsibility for ensuring that the Mafele Electricity Agency fulfils its contractual obligations and remains accountable lies with the Kgoshi. The reasons which led to the Kgoshi signing the contract was Eskom's need to enter into an agreement with a legal entity (Thom 1998), as well as the assumption that the Kgoshi's position and status would automatically ensure that accountability and authority would be vested with the Agency.

Eskom also played a role in ensuring that the Agency was fulfilling its responsibilities. However, because of the high turnover of Eskom staff in this area of work, this function was not performed consistently. There is no other authority, such as a board or annual general community meeting, which would oversee the operation of the Agency.

The role of the Mafele Electricity Agency

The Agency entered a contractual agreement with Eskom to provide the following functions:

1. Revenue collection

- reading meters of customers and forwarding the information to Eskom, which in turn prepares accounts which are given to the Agency to distribute;
- ensuring that the people pay their electricity accounts;
- accepting electricity payments on behalf of Eskom;
- maintaining an accounting system of payments received;
- banking monies received on a weekly basis;
- informing Eskom about cases of non-payment; and
- reporting to Eskom on a monthly basis.

2. Maintenance

- reporting all HV system faults to Eskom in Steelpoort;

- low-voltage system maintenance, including replacing faulty circuit breakers and meters, replacing damaged service conductors and poles;
- keeping a limited amount of stock for repairs; and
- reporting to Eskom on a monthly basis.

3. Disconnections and connections

- connecting new households; and
- disconnecting those households which have not paid, on the instruction of Eskom via the Electricity Committee.

4. Complaints and enquiries

- following up complaints and enquiries.

5. Education

- providing advice on the safe and efficient use of electricity;
- giving advice on the use of electricity to people with a 2.5A supply, particularly with regard to ensuring that their electricity supply does not trip;
- providing advice to households on the most effective way to do house wiring; and
- dealing with any problems around electricity experienced by households;

6. Marketing and promotion

- promoting the use of electricity rather than fuelwood to ensure that 'nature can be conserved' (Eskom 1995: 5);
- educating people about the cost-saving potential of using electricity, rather than paraffin and gas, for lighting; and
- holding promotional days or functions to educate people at Mafefe, creating awareness of electricity and electrical appliances.

2.2 Tambo village electricity agent⁵

In addition to Mafefe, the viability of implementing a 2.5A supply of electricity was tested at Tambo village in the Eastern Cape. Devolving revenue collection and certain customer service functions to the local level was also a component of the Tambo village project. Initially the idea of electricity *stokvels*⁶ with elected metering committees which reported to the Tambo village development committee was introduced as a way of establishing local responsibility for revenue management. This idea was rejected by the community due to the inherent inequality of the system where all members of an electricity *stokvel* would pay the same for electricity regardless of the amount they used (James 1996). It was decided to appoint an individual as an agent to collect revenue, inform Eskom of non-/payments and technical problems. The agent who was appointed was nominated because he had been trained by Eskom as a community-based 'sparky' or electrician. He was elected at a community meeting.

The role of the local agent

The local agent at Tambo was appointed to:

- collect monthly flat rate payments from 2.5A households;
- issue receipts for payment;

⁵ This section will draw largely on the work undertaken by James (1996), and James and Ntutela (1997).

⁶ *Stokvels* refer to organisations which arose in poor black communities during apartheid times. Based on a principle of collective action they are designed to save money and offer credit to its members in times of need.

- present copies of receipts to the Eskom Sales and Customer Service (SACS) office in Queenstown;
- inform the Eskom Queenstown depot and Elektrowise officers of any problems which people were experiencing with their electricity supply; and
- inform the workers from the Electrical Services Department of Public Works in Dongwe of any technical problems when they visited Tambo.

Although it was initially thought that the revenue collector would also perform some maintenance functions, this was not included in the final job description. The revenue collector was elected at a community meeting to perform this function, for which he was paid R400 per month by Eskom. Figure 2 shows the lines of responsibility and reporting of the Tambo agent.

The Eskom SACS office in Queenstown was responsible for processing payments and customer services. Close communication between the local revenue collector and the SACS office senior clerk was essential. On receipt of proof of household payments from the revenue collector, the senior clerk entered the information into the system. Initially payment had to be made by the 5th of every month to avoid being disconnected. Disconnection lists were generated according to the payment information received.

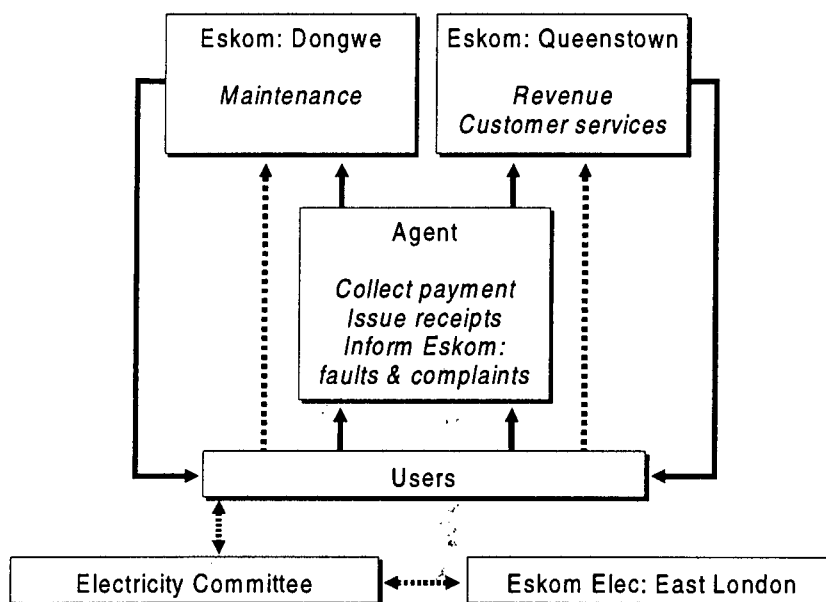


Figure 2: Tambo electricity agent

Once people had paid their debt, usually comprising one month's electricity tariff plus a reconnection fee of R30, they were eligible for reconnection.

Disconnection and reconnection of households were the responsibility of the Queenstown depot maintenance office and the maintenance staff of the electrical section of the Public Works Department in Dongwe. The SACS clerk informed the Eskom depot in Queenstown of households which had to be either disconnected or reconnected. This information would then be relayed to the Dongwe maintenance team who would go to Tambo (usually early in the morning), check with the local agent for any reported faults or problems, attend to them immediately, and also cut off defaulters and reconnect those who had paid their debt.

A remote disconnect system, which obviated the need to be physically present in order to disconnect households, was eventually implemented. However, this was short-lived, as a directive from MegaWatt Park in late 1997 resulted in all Tambo village residents being upgraded to a 20A supply, and the potential to establish whether a remote disconnect system is effective was removed.

2.3 Supporting community entrepreneurs: vending agents and customer service representatives

Apart from the agency at Mafefe and the agent at Tambo, Eskom has established other mechanisms to support the devolution to communities of certain OMA functions – most notably revenue collection and management, through the establishment of vending agents.

A less common, yet interesting, institutional mechanism has been the establishment of close corporations by the Eskom SACs office in Vereeniging, which undertakes both revenue collection and other customer service functions on behalf of Eskom. The development and support of local entrepreneurs underlies the establishment of both vending agents and customer service representatives. This section draws on interviews with regional Eskom staff from the Gauteng, Northern Province and KwaZulu/Natal. Although not all regions were visited, common themes emerged from interviews, especially with regard to the difficulty of ensuring financial accountability. Despite the predominantly urban character of the customers serviced by the Vereeniging SACs office, interviews with its staff were included in the research because of their successful establishment of vending agents and customer service representatives. The insights of the Vereeniging staff will be explored in relation to their applicability in rural areas.

Vending agents

Rationale for establishing vending agents

Vending agents (Figure 3) were initially established by Eskom in 1992 in response to the shift in its customer base and the uncertainty of the distribution licence agreement which granted access to these areas. Rather than employ people and run the risk of having to deal with a redundant workforce in the event of Eskom losing its licence in these areas, it was decided to devolve the revenue collection function to community members. With the cost-saving advantages of establishing electricity agents these agents were set up in both urban townships and rural areas where both pre-payment and conventional metering systems had installed. In some regions, this strategy has produced inadvertent benefits. The introduction of vending agents has the potential to reduce the operational costs of electrification, as well as to create jobs. However, as discussed below, these outcomes are not inevitable, and depend on a range of factors, including training, support, and monitoring of financial systems.

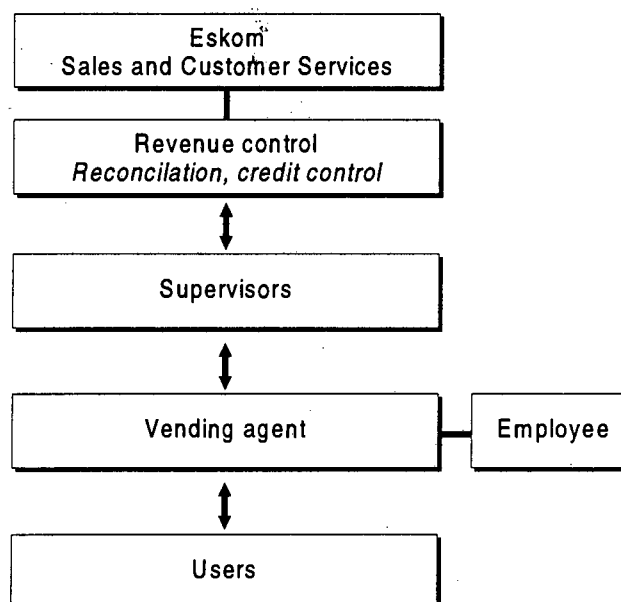


Figure 3: Vending agent

The role of the vending agent

Vending agents enter into a contractual agreement with Eskom to fulfil certain functions pertaining to the collection of revenue and the sale of electricity. These include:

- the sale of tokens for cash only at particular hours stipulated in a contract. The times when the vending agent is to operate is often included in the contractual agreement in order to ensure a particular level of customer service (Eskom n.d.) as well as to enable control over the agents;
- ensuring the safe-keeping and appropriate use of Eskom's vending equipment;
- notifying Eskom of any loss or damage of money, tokens or equipment;
- depositing money into Eskom's bank account at a time (daily, weekly, specific date) specified in the contract – this function is not always performed by vending agents and in some areas is undertaken by the Protection Services or Fidelity Guards;
- keeping records of transactions, reconcile sales and provide documentary support for them;
- providing, in some cases, a conduit for Eskom's marketing materials, by displaying and distributing the materials.

In the case of agents selling electricity cards or tokens for the pre-payment meters, Eskom provides, installs and maintains the vending equipment. Vending agents are trained by Eskom in the use of equipment, banking and reconciliation. Stationery, electricity cards/tokens and banking documentation required is provided by Eskom. In instances where agents are responsible for 'marketing', materials are provided by Eskom.

The operation of the vending agent

An agent may enter into the contractual agreement either as an individual or as a company. Where Eskom pays the commission owed to the vending agent to a company, tax is not deducted by Eskom. Generally, though, the vending agents are individuals who, for tax purposes, are regarded as part-time employees of Eskom. Thus, although Eskom is liable for individual vending agent PAYE deductions, the agent does not enjoy any of the benefits, such as medical aid, or security, associated with being employed for a company such as Eskom. Agents are usually paid a basic fee plus the commission on their banked electricity sales. Clearly, the larger the customer base, the greater the commission for the agent. In the instance where there are shortfalls in the amount banked, money is deducted from the agent's fee. Agents have to provide for their own security. Contracts are usually renewable every year.

Although the process for agency selection varies from region to region, there are commonalities in the approach. In Vereeniging, close interaction with the civics and other community leaders was central to the selection. Positions were advertised in the community and people were elected by the community to apply to Eskom. The criteria for selection emphasised business and entrepreneurial skills. In some areas spaza owners are considered to be good candidates, especially given Eskom's reluctance to invest in infrastructure (de Villiers 1998). In others, more 'formal' shop-owners are preferred (Simmonds 1998).

In the Northern Province Eskom liaises with the chief and other structures if appropriate. Mass meetings are held, at which at least three people are nominated. They are then interviewed by Eskom and one is appointed as the vending agent (Baloyi 1998). Once vending agents have been selected Eskom ensures that they are trained to meet their obligations.

In all regions there are contractual stipulations which limit the amount of money which vending agents may hold without banking or putting it into a safe. For instance, in the areas serviced by the Vereeniging office, every vending machine has a limit of R2000. This is the way of limiting risk. Once a vendor has reached R2000 s/he must 'drop safe' the money in the large safes which Eskom has made available to the vendors. Fidelity Guards pick up the money every second day (de Villiers 1998; Moiloe 1998).

In some areas of the Northern Province, collections by Fidelity Guards takes place once a week, but in others vending agents have to deposit money in the bank. The limit on money held in the Northern Province is R1200. According to Baloyi (1998) there are always 'difficulties' when money changes hands: 'there are always excuses'.

Close corporations: community customer service representatives

The rationale for establishing community customer service representatives

Community customer service representatives (Figure 4) were established by Eskom in the Vereeniging townships as part of a political move to gain support and credibility. During the late 1980s and early 1990s townships such as Evaton, Orange Farm and Sebokeng were considered no-go areas and it was impossible for Eskom to operate in them: equipment was stolen, contractors were threatened and negotiations took place at gunpoint. Eskom was accused of not contributing to job creation. As a result, through long and protracted negotiations, two close corporations (CCs) were established, aiming to devolve certain customer service functions with the hope of building entrepreneurial skills: Banaliswe, which employs 15 people and services 25 000 customers, and Banganani, which employs 25 people and services 27 000 customers.

The role of the customer service representatives

According to a contractual agreement (Eskom n.d.) the CCs are responsible for:

- verification of meter readings;
- distribution of electricity accounts to customers with conventional meters;
- distribution of education, information, marketing and promotional pamphlets;
- attending to customer complaints and queries; and
- dealing with ad hoc requests .

The CC is appointed to fulfil these functions in the capacity of a contractor and not an Eskom employee. Eskom is contractually obliged to provide training for CC employees. However, Eskom is able to determine the 'nature and extent of the training'⁷ (Eskom n.d.).

Payment to the CC is made on the basis of verifiable actions with each function having a commission attached to it. Fees include R0.20 per pamphlet delivered, R10.50 for reporting defects, and R65.00 for reporting verifiable bridged meters (Eskom n.d.). During the month in which the interviews for this study occurred, R23.000 and R26 000 were paid to Banaliswe and Banganani respectively. An Electrowise advisor is attached to each CC, providing support, training and guidance where necessary.

⁷ Although this does not seem to have effected the efficacy of the CCs, this clause has the potential to provide Eskom with the opportunity to breach the contract.

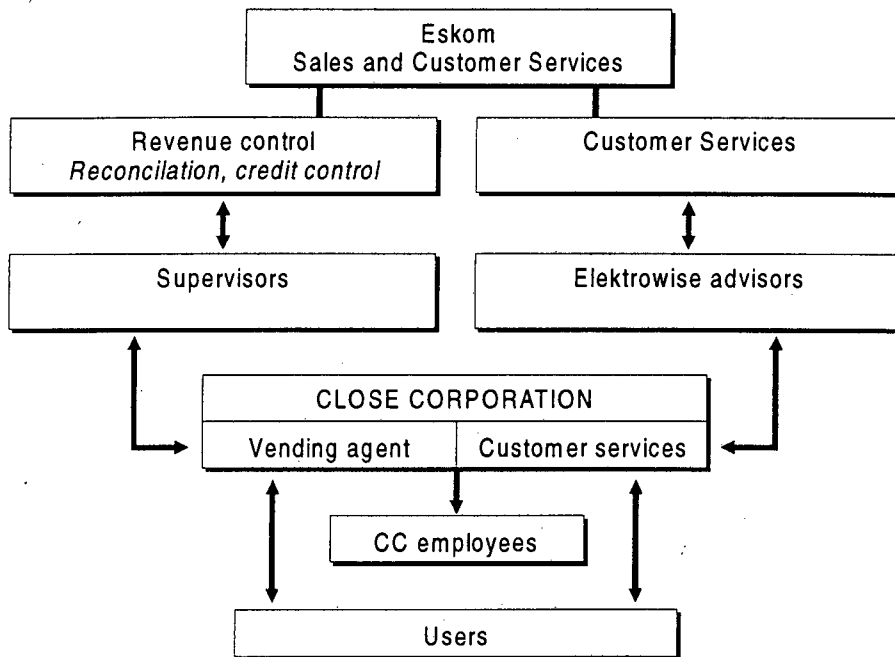


Figure 4: Close corporation

2.4 Problems which have been experienced

Ensuring financial accountability

One of the main problems facing Eskom is ensuring the financial accountability of local revenue collectors. At Tambo, the agent allegedly disappeared with R2000 of the revenue which he had collected from 2.5A customers on behalf of Eskom. The situation at Tambo is useful in that it serves to question the notion that the selection of an individual through a democratic process will necessarily ensure the accountability of that person. It is important to devise mechanisms which ensure that both Eskom and the community hold this individual accountable. Power vested in community structures and general meetings which oversee the agent are potential ways of enabling the community members to keep the agent accountable. In order for Eskom to hold the agent accountable it is necessary to interact with the agent in a manner which provides checks and balances, as well as support.

Similar findings apply to the establishment of vending agents. In both the Northern Province and Mpumalanga keeping vending agents financially accountable has been a problem (Baloyi 1998; Kinner 1998). Vending agents roll over (or 'borrow') money and end up in debt. Part of the problem is that the systems to support financial accountability have not been well established.

Another problem is that there are too few Eskom staff members to supervise the vendors. In the Northern Province, there has also been a large staff turn-over, making it difficult to establish good relationships with vendors.

One of the biggest problems in the Northern Province is that bank statements are not reconciled properly. Sometimes, the fault lies with Eskom, when inaccuracies in the reconciliations are not picked up, payments are delayed, or when there are inaccuracies in the Eskom reconciliation validations. This has resulted in strained relations between Eskom and the vending agents, and in one instance 'Eskom failed to pay the commission to agent as the validator had done the reconciliation incorrectly. For this reason the agent took money from the sale of the electricity cards' (Baloyi 1998).

The situation in Vereeniging is in contrast to this. Perhaps, one of the key factors which contributes towards the financial accountability⁸ of the vending agents in the Vereeniging area is the existence of Eskom revenue 'controllers' who supervise the agents and visit them every day. The supervisors check that the bank deposit correlates with the summary from the vending machine. Vending agents are under obligation to ensure that reconciliation is done every single day to avoid their rolling-over money (de Villiers 1998). A similar system has been set up in Mpumalanga where 'vending controllers' visit the vendors in the Bushbuck Ridge area, although Fidelity Guards are responsible for this function in other areas of Mpumalanga (Simmonds 1998).

Where the Vereeniging office is unable to implement this system of control it will not establish vending agents. For instance, in one of the rural areas serviced by the Vereeniging office, a small community with fewer than 500 customers is serviced by a mobile vending agent going around every day for half a day (de Villiers 1998).

There is clearly a genuine desire on the part of many Eskom managers to build entrepreneurial skills and create jobs. In some instances, however, the experience tends to belie this aim. 'To what extent are these agents empowered? Most ended up in jail or owing lots of money' (Baloyi 1998). In other areas, the establishment of vending agents has been successful and valuable lessons have been learnt on how to achieve sustainability, which includes measures to secure financial accountability.

Questions around the financial viability of the Electricity Agency were also raised by Thom in her pre-electrification study (1996). Although difficult to validate, on a recent trip to Mafefe an Eskom staff member was told that no more connections were taking place because there was no money to do so (Geldenhuis 1998). Together with the costs associated with operation, administration and maintenance the fixed monthly fee paid to the Agency was also supposed to provide for the purchasing of materials which would enable more households to receive an electricity connection. Without undertaking research into this, it is difficult to determine exactly where the problem lies. One reason may rest with the fact that the monthly payment was calculated on three employees only. However, without an indication of the wages of the Agency employees, this remains speculative. This does raise serious questions about the financial viability of the Agency.

Legitimacy, transparency and accountability

The Mafefe Electricity Agency has been criticised on the basis that it was not established in a transparent manner, that it lacks legitimacy and is almost impossible to 'keep' accountable. In the pre-electrification study undertaken at Mafefe Thom reported that there 'was virtually no knowledge amongst people generally of the Electricity Agency that was to be established in Mafefe' (1996: 66). The proposal for an Agency had been discussed only by the TLC and possibly the Tribal Authority, although 'it seemed that it had not been discussed in any depth with either of these bodies' (71). Most people expected Eskom to fulfil the functions that were to be contracted to the Agency. Thus, there was little participation in defining the nature of the organisation, how it would relate to other organisations or what roles and functions it would play. These findings were corroborated by Wentzel et al (1997) in their post-electrification study. Residents of Mafefe, as well as the committees aligned to the ANC and the democratic local government were ill-informed about the functions of the Mafefe Electricity Agency. Further, the process of appointing the Agency staff was not known by the majority of residents, nor was the fact that the Agency is being paid from income derived from electricity payments.

In a deeply divided community, such as Mafefe, it is a problem that the Tribal Authority, Electricity Committee and Electricity Agency are so closely intertwined. This has led to

⁸ In five years that they have been operating Eskom has terminated the contract of one vending agent only.

questions about the legitimacy of the Electricity Agency, especially from other factions in the community (Wentzel et al 1997 and Thom 1996).

It is almost impossible to ensure accountability of the Electricity Agency, either to 'the community'⁹ or to Eskom. Based on assumptions about his status (that it has authority and that he is accountable to the community), Eskom signed the contract with the Kgoshi. However, as Thom (1996) argues, it is unlikely that Agency accountability can be vested in the Kgoshi given the complex power relations and deep divisions which exist in the community. Richard Baloyi (1998), the Electrification planning manager for Eskom in the Northern Province corroborates this point of view:

It was wrong for Eskom to appoint the chief. At a political level it is impossible to keep the chief accountable as he can mobilise his subjects and Eskom will not be able to do very much.

The effective management of the Agency, as well as its legitimacy in and accountability to the community is contingent on *all* interest groups being involved in the process of establishing an agency (Thom 1996). In a context, such as Mafefe, where struggles over control over development resources and power are prevalent, it is not difficult to understand that the lack of information, or the dissemination of partial or ambiguous information is one strategy for maintaining power. So, if the people of Mafefe do not know how the Agency is constituted or what its roles are, or who will fulfil its responsibilities, it is unlikely that anything will be challenged. Where there is not a strong tradition of democratic decision-making or where the power is exercised in oppressive ways, such a strategy is likely to remain unchallenged.

It is essential that CBOs are established with full knowledge of the different groupings, power struggles and conflicts which exist in the community, and that the process through which these organisations are established is democratic, transparent and inclusive.

Providing a good service

A number of problems with the quality of service provided by the agents have arisen. At Tambo, many of these problems can be attributed to poor communication between the community members, who were faced with disconnection or other technical and maintenance problems, and Eskom. This, in turn, was largely a result of the inadequate way in which the local revenue collector fulfilled the role of facilitating communication between the users and Eskom. The problems facing community members led to many accusations and recriminations being made. Most people blamed Eskom for problems with their electricity supply, even if the fault lay with the agent (James & Ntutela 1997).⁴

Problems have been experienced with the quality of service given by the vending agents. As people are generally appointed on the basis of their business skills they are not equipped to deal with customer complaints and queries. The ability to deal with people in an appropriate manner should be included as one of the criteria for appointing vending agents, who should also be trained to deal with people and be equipped with information which could assist people in getting their problems resolved.

Apart from low voltage maintenance, buying appliances and making payments at the Agency's office, the post-electrification study found that the Mafefe Electricity Agency was not providing any other service to the community members. The study specifically highlighted the fact that there was no attempt to provide information on the safety aspects of electricity use, as well as appliance and general use of a 2.5A electricity supply (Wentzel et al 1997). However, it is important to question whether it is reasonable to expect the Agency to fulfil the responsibilities outlined in the contract without the necessary support and training.

⁹ The 'community' is not an unproblematic concept. It is impossible to speak of community as a homogenous group of people with similar aspirations, needs and priorities.

Although Eskom is contractually bound to ensure that the Agency staff are trained, only the maintenance staff have been trained. The administration clerks have not been trained by Eskom and have been taught some bookkeeping skills by a person from the school. Given this, it is hardly surprising that the Agency is unable to meet its other contractual obligations. The Tambo agent was also not trained.

Many of the functions outlined in the contract are perhaps not appropriate for an organisation of this nature. This is especially true of the marketing and promotion functions which ostensibly exist to promote the interests of the utility through the sale of electricity. The Agency is not employed by Eskom, and it cannot be expected to promote Eskom's business. Rather, the Agency should provide for the needs of the community members of Mafefe.

Job creation and supporting entrepreneurs

Contracting out services to vending agents or customer service representatives is controversial. The fact that contractors are not full-time staff, and therefore do not enjoy the benefits of full-time employment (medical aid, pension, housing subsidies) is at the centre of the controversy. Many people in Eskom feel that it is appropriate to contract out these services as it builds entrepreneurial and business skills, while others consider it unethical to contract out services, as the move is largely motivated by the desire to save costs. It is felt that Eskom has an obligation to contribute towards job creation.

What Eskom is actually doing is avoiding the real cost but they want the real benefit. To greater extent people have been robbed of their surplus labour by not giving them benefits. If we want to contribute to employment or unemployment. Not protected in terms of labour relations act. Desperation of people is exploited. (Baloyi 1998)

On speaking to a few of the agents in Vereeniging, it was evident that they felt that it would be better to be employed because they would receive benefits. They did acknowledge that they had developed skills and that a number of vendors and customer service representatives had formed their own businesses once they had built their entrepreneurial skills. Some of the vending agents had expanded to include telecommunication centres also.

Do agents and representatives offer cost-reduction¹⁰

Devolving certain revenue management and customer service functions has the potential to reduce the costs of electrification. However, this cannot be achieved in a hands off manner. There is a need to develop systems which support revenue agents, which may mean that appropriate people have to be employed to fulfil various functions, such as controlling revenue collection. If the revenue collection agencies, together with the support system, operate effectively cost savings can be achieved. For instance, de Villiers (1998) provides a rough estimate of the cost savings which have been achieved in Vereeniging through the establishment of customer service representatives and vending agents:

It is a cost effective mechanism which has cut costs by a quarter of a million rand per annum. We don't have to pay salaries, rent cars etc. There are 28 service centres and 4 people in each would have to have been employed by Eskom – this is a huge amount. Agents represent one tenth of a situation where Eskom would be responsible for employment.

However, the perspective is not as optimistic in other regions. Theft by agents is a detracting factor; the extent to which it has an impact on costs will be determined in the cost analysis which will be undertaken by Gillian Simmonds.

¹⁰ See the work undertaken by Gillian Simmonds (1998) which attempts to do a cost analysis of implementing electricity agents.

Summary

Although the organisational forms of the Mafefe Electricity Agency, the Tambo Electricity Agent, the vending agents and the close corporations are very different, there are important similarities. The assumption that people will be accountable by virtue of their status (such as the Kgoshi in Mafefe) or a democratically elected process is often made by Eskom, with the result that there are no other mechanisms *within* the community which could facilitate the accountability of organisations. The checks and balances which do exist (such as in Vereeniging) lie in the hands of Eskom and manifest themselves as tight control over financial accounting. One of the fundamental differences between the approach adopted in the pilot projects at Tambo and Mafefe and the approach to the vending agents and customer service representatives in Vereeniging is the system of support which is given to these organisations. In the pilot projects, devolution of these functions meant that Eskom had a 'hands-off' approach, while in Vereeniging devolution was accompanied by a strong system of support and training.

3 Other experience: rural electrification and water sector CBOs

Discussions on rural electrification, whether grid or off-grid, are pre-occupied with costs, financial viability, institutional arrangements, and the economic and social impacts of interventions. Unfortunately, there is little written of the experience of devolving rural electrification functions and establishing CBOs in rural electrification programmes. Where such programmes have aimed to enhance local people's capacity or ensure participation, information is presented in a descriptive, rather than analytical manner – mentioning, for example, that local CBOs are established, or that their involvement has led to the success of certain interventions. However, the issues which have led to the success or failure of these CBOs are not always examined. This section will attempt to distil the key issues which have emerged in the rural electrification literature, which is predominantly concerned with rural electrification co-operatives or with community organisation in renewable energy projects, although rural electrification co-operatives have functions which are beyond the scope of CBOs which could be implemented in South Africa

3.1 Rural electricity co-operatives

Policies promoting local participation, together with the difficulty of reaching people who lived far from the centrally provided power led to the establishment of rural electrification co-operatives in countries such as the United States, Germany and Sweden. In the United States rural electrification co-operatives have been in existence since the 1930s. This has led to a situation where rural electricity *distribution* is locally managed. While rural co-operatives have been successful in these countries, the situation in Third World countries has been mixed.

Spurred on largely by the success of rural co-operatives in the United States the National Rural Electric Co-operative Association (NRECA) has been instrumental in promoting co-operatives, especially in Asia and South America. Operating in vastly different contexts, these rural electrification co-operatives have mainly been implemented as a means of reducing the costs of providing electricity services in new areas. Coupled with this, assumptions that rural electrification co-operatives would increase the pace of development were also made (Gerger & Gullberg 1997).

Gerger and Gullberg (1997) show that rural electrification co-operatives established in areas where grid electricity is available have purchased bulk power, as well as managed the distribution of electricity in a specific locality. In areas where the grid is not extended, rural electricity co-operatives have also been involved in the generation of electricity, for example, through diesel sets or micro-hydro systems. Co-operatives vary in size. In Bangladesh, for example, each electrification co-operative serves a population of between 500 000 and

1 500 000 (Smith 1995), while the number of customers of the Bolivian co-operatives included in one study ranged from 262 to 161 000. Although the situation varies, co-operatives also usually undertake operation, maintenance and administration functions. In Nepal these included gathering and submitting applications for connections, organising the contribution of local materials (poles and labour), collecting periodic bills and fees from customers, routine control and maintenance, acting as a communication link between the generation company and the community, arranging meetings, organising training courses for potential local entrepreneurs, and maintaining pipelines, power house and purchase of spare parts. In some areas the management of meter reading and billing is also included as one of their roles.

Management of the rural electricity co-operatives

Although the management of co-operatives varies from one co-operative to the next, measures to ensure accountability are an inherent part of the system. For the most part accountability is based on democratic practices. For example, co-operative members (members of the community who have an electricity supply) of the Co-operative Electrica Yungas in Bolivia elect delegates to attend a 'meeting of delegates' once a year. Every three years, at this meeting five Directors are elected, who in turn elect the General Manager. The General Manager contracts the employees of the co-operative and Directors are responsible for informing the community members of the co-operative activities. The management framework is stipulated in the co-operative bye-laws which are enforced by the electricity utility ENDA and the NRECA. These bye-laws state the purpose and role of the co-operative, its employees, general meetings and administration council, as well as the rights and obligations of the co-operative members. 'The members are requested to personally assist by voice and voting in the Zonal Meetings and Meeting of Delegates; and to redeem the commitments and commissions of the trustees' (Gerger & Gullberg 1997: 43). In other words, although the utility enforces the bye-laws of the co-operative, the co-operative members have the role of ensuring that the co-operative is accountable and fulfils its function.

Decision-making and 'supreme authority' is entrusted in an annual general meeting of co-operative members where administration councils are elected. In some instance, such as the Mizque co-operative in Bolivia a 'vigilance committee' was also nominated and given authority to monitor the co-operative's activities. In India, co-operatives consist of members (every consumer is a member) and a Board which oversees the co-operative activities and makes policies and co-operative employees. General meetings are also held.

These examples represent a fundamental departure from the approach followed in South Africa where there are no mechanisms for community (user) involvement in ensuring accountability of Community-based organisations in rural electrification. However, there is no guarantee that these mechanisms will lead to the effective management and operation of co-operatives.

Gerger and Gullberg (1997) found that most co-operatives met with difficulties and experienced problems because of poor management and inadequate day-to-day maintenance. In Bolivia, the problem of inadequate training programmes was experienced during the 1970s when USAID and NRECA discontinued development assistance to the country, with the result that numerous rural electrification co-operatives experienced problems: poor accountability; misuse of funds; weak co-operative leadership; and inappropriate technical maintenance. The Bolivian government did not attempt to step in and support the co-operatives. Many co-operatives ceased to exist and were taken over by larger co-operatives of the utility.

3.2 User organisations in rural electrification

Another local institutional arrangement which is common in rural electrification projects, especially off-grid projects, is the village committee or user organisation. Although the functions of these two organisational forms overlap, user organisations differ from rural electrification co-operatives in that they do not distribute electricity. Furthermore, user organisations are village-based, whereas co-operatives are not necessarily confined to operate in one village.

To address the problems associated with electrifying rural areas in Nepal, such as the long distances which utility staff need to travel, it was decided to involve local communities in the construction and operation of their electricity systems. It was envisaged that this would reduce costs, administrative load of the utility and unite the community and strengthen the 'commitment to the project' (Iversin n.d.).

One of the criteria for a village to be considered for electrification was that its members form a User Organisation, established with the utility's assistance. The User Organisations fulfilled the following functions:

- collecting new applications for connection and submitting them to the utility;
- organising the contribution of local materials; especially poles and labour;
- collecting revenue;
- routine control and maintenance of distribution system; and
- providing a communication link between the community and the utility.

With the exception of the revenue collection function, the scope of responsibility of these organisations is similar to that of the electricity committees in South Africa.

In cases where NRECA has been involved in the implementation of renewable energy projects, community organisation is considered to 'guarantee the sustainability of the each project through the active participation of its users' (Canek 1994: 6). In the selection of villages for project implementation, the existence of a community organisation 'representing the interests of the community' is considered essential. Further, success of renewable energy projects is considered to hinge on the devolution of responsibility to the community in order to avoid dependency: 'The target group will be made up of those people who wish to participate in the project and not of all the members of the community' (Canek 1994: 8). A 'mass' meeting of people interested in the project is organised. At this meeting a date is set for elections of the village project committee. Elections take place, with each position and its associated responsibilities carefully outlined prior to nominations. The project committees have the same accountability mechanisms as the co-operatives which have been established by NRECA. The General Meeting, which comprises all the users and beneficiaries of the project, has the authority to approve budgets, income and expenditure and plans of the committee. Training of committee members takes place, and strict accounting controls are instituted to ensure accountability to the users, as well as to the financing institutions. The committee has responsibility for:

- representing the community to the institution providing the renewable energy by, for example, forwarding requests for service, or complaints;
- managing the procedures regarding requests, contracts and claims to the energy provider;
- managing the community fund, collecting revenue and dealing with payment defaulters;
- looking after the store; and
- controlling and regulating maintenance and use of systems.

Similarly, in Mexico, potential beneficiary communities have to establish local electricity committees which submit formal applications to the utility. The local committees undertake to contribute towards the project as well as to maintain the systems (Cowan et al 1996).

Most of the electricity systems (predominantly hydropower) in Nepal are managed (and sometimes owned) by village electrification committees. These elected committees are guided by national laws governing development committees. Although mass meetings are held it is not clear what role they play besides providing a forum for the committee to deal with problems and promote the use of electricity. The village electrification committee are responsible for operation and maintenance. Technical assistance and equipment is provided by the outside agency where necessary.

In the literature consulted there was one example of community responsibility for consumer education. In Nepal community members, or 'motivators' were selected and trained by the utility, Butwal Power Company in order to build communication and teaching skills; ensure an understanding of the integrated development approach and philosophy of the rural electrification project, and develop knowledge of technical issues such as tariffs, safety, use of cookers, household wiring (Inversin n.d.)

Another form of community management in Nepal is the shareholder company, Salleri Chialsa Electricity Company, which acts as a distribution agent. The shareholders, the decision making body of the company, comprise the community members (37%), the utility (31.5%) and the Swiss Development Cooperation (31.5%). Ad hoc committees in electrification areas have been formed to ensure effective communication between people and the company.

The Indonesian photovoltaic programme had as one of its goals the provision of support for management capacity of the Local Organising Committee, which were usually existing local organisational structures. These committees were responsible for the administration and record keeping, repayment management and revenue collection, as well as management of maintenance (Cowan et al 1996).

Finally, the Andhi Khola Hydel Rural Electrification Project has a system of management similar to South African. Management of the project rests with a public utility. User organisations are formed to provide co-ordination between the villagers and the public company, reads meters, collects and deposits monthly revenue, limited maintenance, and accepts applications from new customers. In addition, the user organisations have contributed towards local economic development and set up businesses, such as rice and flour mills. Although these local organisations have met with great success in Nepal, their existence is not widespread.

3.3 South African water sector experience

The Mvula Trust has a 'demand-responsive' approach to water supply, whereby water is supplied to communities upon invitation. It is through applying this philosophy that the Trust is able to promote a 'policy of community empowerment through the management and ownership by communities of their own development process' (Mvula Trust 1997a). This is achieved through support for local decision-making, control over finances and responsibility for operation, maintenance and repair payments. The projects have subsidy ceilings and cost-sharing components. Partnerships with NGOs and private sector are encouraged by Mvula Trust.

One of the key functions of the trust is to build the capacity of local community organisation, through skills development and establishing appropriate management and incentive structures. Importantly, training accompanies the implementation of all projects, based on the philosophy that cost-effective, sustainable and effective development is secured by local consumers making decisions and managing their own development process.

The trust provides money to water committees for management, under the supervision of the Trust's regional staff. Committees are tasked with local decision-making, control of finances and procurement and they take responsibility for the payment for water.

According to the external evaluators report, there have been few instances of 'intentional and inadvertent abuse of this arrangement' (Blaxall et al 1996). However, other sources have shown that the process and commitment to capacity building does not guarantee success.

The over-riding Mvula Trust principles of ownership and empowerment were recently threatened with the discovery of two cases of fraud on projects in north-western Mpumalanga. In both instances, individuals extracted unauthorised sums of money from the committee bank accounts, threatening the future of projects.... Mvula, as a public holder of money, needs to ensure that such actions are not allowed to continue unpunished and these matters will be pursued with diligence.... Political intervention is required to ensure that law enforcement agencies do their job as the Trust has committed

over R 15 million to the province. Lawyers have also been instructed to institute civil proceedings against the two suspects. (Mvula Trust 1997b)

One of the findings of the evaluation report was that the committees expressed the need for more support from the Trust's field staff. Of particular importance was the need for support and training about banking practices, constituting and running committees, salaries and fees, knowledge of rules and sanctions, that is, the financial and management functions of a water committee.

In contrast to this, water supply projects of the Department of Water Affairs and Forestry (DWAF) have not been as successful. Although committed to community participation in the management of the projects it was found that the project steering committees, which included community representatives, were often established too late in the process, or lacked capacity and experience to steer difficult projects. Also, other CBOs were not included in the projects. For example, in the Kgobokwane project, the strong CBOs were bypassed during project planning and implementation. The local council, which lacked capacity and covered a very large area, took responsibility for the provision of water. However, it was not effective and it is considered to be necessary for links between the council and the CBO to be re-established. It is argued that successful service provision is strongly dependent on community-based organisation (Mvula Trust 1998).

4 Establishing sustainable CBOs for rural electrification

Establishing sustainable CBOs is not an easy task. Problems and difficulties often experienced have been discussed. This chapter will now turn to the insights, lessons and experiences which could guide the establishment of CBOs which are sustainable and accountable.

4.1 External inputs needed to support CBOs

Sustainability versus self-sustaining

Perhaps the most important insight to inform this work is that the concept of sustainability of CBOs does not mean that they are self-sustaining. In other words, external inputs are essential to effective operation of community-based organisation. This means that effort should be made to define the types of interaction and assistance which is required for long-term viability, rather than being concerned with how to enable community-based organisation to operate without any external inputs. A recent review of literature and experience in the water sector has emphasised the point that the concept of sustainability is associated with long-lasting organisations (but also adaptable, flexible and able to change), and that to confuse sustainability with self-sustaining ignores the 'fundamental requirement' that CBOs must interact with government and external agencies on a regular basis (Meinzen-Dick et al 1997).

In a review of World Bank experience in Asia, similar conclusions about the need for strong central support was made (World Bank 1996). This argument is corroborated by the experience in South Africa. The situation at Tambo shows that Eskom cannot absolve itself from responsibility for ensuring that an agent is able to fulfil his/her responsibilities: regular meetings, appropriate accounting systems, regular reconciliation of the books and revenue collected and training of the agent should be facilitated by Eskom. Perhaps the most important lesson concerns the critical need for mechanisms to ensure that vending agents or customer service representatives are supported and supervised. According to Len de Villiers (1998) and his colleagues, the key to the success of the vending agents and the customer service representatives is community involvement and supervision.

Building the capacity of CBO

Training of CBO members is an important component of the support required of the external agency. Where capacity building has not occurred, both in South Africa, and abroad, it has

been found that the organisations do not survive. Developing and strengthening the capacity of people in CBO cannot be achieved through the application of blueprint formulas. Needs will differ from one community to the next – both the content and approach to building capacity should be dictated by the needs in that particular locality (Gerger & Gullberg 1997). The types of training include leadership, management, technical (including tariffs), financial (including banking practices), as well as constituting and running committees.

External mechanisms for accountability

In Vereeniging, Eskom will not set up vending agent if the control measures have not put in place:

We have revenue control which is supported by reconciliation and credit control. We have supervisors which check the paypoints every day. With regard to the cashiers and agents there is procedural compliance and control. With regard to the agents there are contracts in place and there are attempts made to ensure that they are complied with. (De Villiers 1998)

Due to the difficulty of keeping vending agents accountable some people feel it would be better to employ the agents. It is felt that the risk of job loss would prevent the duplicity of the agents (Baloyi 1998). Others disagree:

You don't need to employ people to prevent fraud. The key is control. Although there is agreement that Agency agreements have to be tailor made, there are certain non-negotiable essentials. The first, there has to be control over staff and agents. And secondly, you need to have some form of collection of the money. (De Villiers 1998)

In rural areas, especially those which are far from urban areas with their banking systems, tarred roads and Fidelity Guards, it may be more difficult to implement such systems of control. However, ensuring that vending agents use the appropriate financial accounting systems, are able to bank money regularly and are visited regularly by Eskom staff seem to be the basic requisites for maintaining financial accountability.

Utility staff

In the Eskom regional offices where there is recognition of the importance of supervision and support, staff have been trained and management systems have been set in place to enable them to do this. There is a need for committed staff to look after the agents, but this is not always happening. Eskom staff, including Electrowise advisors, have pointed to the inadequacies in the training which some of the electrowise advisors and other community workers receive. Inasmuch as there is a need to support CBOs, whether vending agents or customer service representatives, there is also a need to support, supervise and manage Eskom staff who are to undertake this work.

Eskom has found that it is important to source Eskom staff who are to manage, supervise, support and train vending agents and other CBOs, from the communities in which they will work (Baloyi 1998; Moiloe 1998; de Villiers 1998). Further, it was emphasised that where these Eskom staff enjoyed political credibility, negotiations and difficulties were more easily resolved:

It is important to create an understanding of the areas we electrify. Evaton was a totally no-go area. Prior to 1992 I dealt with customers who were white – very easy. I didn't have the ability to work in townships as we didn't understand the dynamics. We burnt our fingers a few times. The employment of guys with political credibility has helped enormously. In 1992 we started to employ people from the area. We had to get the community together – there were no jobs. Cars were being hi-jacked. (De Villiers 1998)

There are a number of accounts of experiences which corroborate this view. Situations where only Eskom staff members who have political credibility and experience have been able to resolve potentially explosive situations are common. Where the desire for electricity is strong

and political struggles to gain access to it frequent, it is essential that staff members have the requisite negotiation skills.

Eskom staff members who live in communities where Eskom has electrified often suffer from burn out due to the demands placed on them by community members. For instance, the service structure in the Vereeniging townships operates beyond working hours, with Eskom staff being called out to deal with customer complaints and queries at any time of the day or night. In order to support this level of customer service, the staff members are encouraged to take leave whenever they need it.

4.2 Inside the CBO

Possible roles and functions

As discussed in the previous sections there are a number of operation, maintenance and administrative functions which can be fulfilled by the CBOs. In South Africa the main experience has been with the devolution of the revenue collection function to CBOs or individuals. The devolution of other customer service functions, such as meter readings, billing, information dissemination and dealing with customer complaints and queries is also possible. There is also great potential to train local CBOs to educate people about the safe and efficient use of electricity.

It seems that there is consensus in Eskom about not devolving the role of disconnecting non-paying customers to local agents. In some cases, where agents do the physical disconnection, they are not responsible for making the decision about which households will be cut off. The reason for this is that it is an issue which can easily become 'politicised', as it is concerned with controlling and withholding access to electricity. There is a great potential for this function to become subsumed in broader power struggles. This may result in the uneven implementation of a disconnection policy, where some people are penalised and others not, depending on their allegiances.

With the exception of low voltage maintenance functions, maintenance of grid electricity systems is also not considered a viable function to devolve to a local agent, mainly because the electricity environment is dangerous – Eskom remains legally responsible for the safety of its sub-contractors. Although low-voltage maintenance was devolved to the Mafefe Electricity Agency with good results, other Eskom managers felt that the risks of devolution were too great. On the other hand, off grid-electricity maintenance is considered to be an essential function of CBOs or individuals. Without this it is unlikely that off-grid programmes will be sustainable.

Notwithstanding the problems related to the maintenance of grid-systems and undertaking disconnections, it is possible to devolve a number of functions. However, it is not possible to spell out which roles and functions should be devolved in a rural electrification programme in South Africa, for the reason that local conditions should inform the nature, role and function of CBOs. This can be achieved through community participation and social analysis of the community and its organisational structures, history and power processes. It is not appropriate to have fixed ideas of what functions will be devolved to communities as the conditions within that locality may mitigate against success.

Local conditions inform type of organisation

Another significant lesson from the Vereeniging experience was that it is important for the local conditions to inform the exact form of any community-based agency which is being set up. In some instances, it is not possible to establish CBOs; in others, due perhaps to a strong tradition of community-based involvement in development, it is possible to extend the basic functions to an established CBO. This was corroborated by a study of effective CBOs in the water sector where it was found that the most effective and sustainable organisations were those that were adapted to local conditions and which did not impose a blueprint organisational design (Meinzen-Dick et al 1997). This does not mean that it is not possible to have some consistency

of rules. However, attention to the conditions of the local environment which either constrain or enable particular organisational forms and functions is critical.

There are a number of other insights gained from this water sector study about the nature of CBOs which are helpful:

- Organisations which were older were more stable than newer organisations which still have to prove themselves. Even where CBOs are inactive they can easily be prompted into action, either through internal or external mechanisms.
- Existing organisations usually have established rules and practice which people are familiar with, often suit local conditions and which can be built on. In the water sector it has been found that it is more successful to work with an existing organisation, even if it is informal and is not concerned with water, rather than attempting to replace it.
- Organisations which are able to change and adapt their operation and governance in response to new circumstances are more likely to ensure their sustainability.
- It seems that, where the impetus for the establishment of an organisation originated from within the community rather than from outside intervention, it is likely to be sustainable as it enables 'ownership' of the project. Although preferable, it does not preclude effective organisations which are initiated by outsiders (Meinzen-Dick et al 1997).

Community mechanisms to ensure accountability

There are a number of ways in which communities can be involved in keeping CBOs accountable. It is not sufficient just to involve communities in the election of people to these positions. Constituting a higher decision-making authority, such as an annual general meeting or a board, are ways of involving community members. Although important, it is also clear that these mechanisms do not necessarily *guarantee* that the organisation will be accountable. Success is largely dependent on the capacity of community members to participate actively in this task. The establishment of transparent rules and the provision of sufficient and appropriate information will assist in this task:

When the entire community knows how the system should work, who should benefit, and what each member's responsibilities are, any deviation from this becomes immediately apparent. (Watson et al 1997: 118)

An interesting alternative to Eskom's system of control is the auditing of CBO finances by its members in an irrigation system in Nepal. This has proven effective in eliminating fraud and ensuring members' confidence in handling funds (Meinzen-Dick et al 1997).

It is possible that other ways of involving community members in keeping committees accountable could be developed together with community members. It is however, critical that there is a separation between the governance and technical roles. The governance roles concern the running of the organisation, while technical roles concern the day to day running of the system. At Mafefe, these roles were unclear and conflated as the Kgoshi and the electricity committee were often involved in the day-to-day operation of the electricity agency. Where these roles are conflated and unclear it is difficult to ensure accountability.

Incentives to participate

The provision of incentives to participate in CBOs was observed to be important in the long-run sustainability of these organisations in the water sector. It was suggested that people participate on the basis of gains and benefits. In the water sector these have included tangible physical improvement in the system, increased reliability of water supply, control over water, resolution of conflict and acquiring greater influence in decision-making (Meinzen-Dick et al 1997).

Cash incentives have been used to stimulate the efficacy of CBOs. The Mvula Trust initially provided an operation, maintenance and repair incentive to communities who had successfully

maintained the project for six months after completion. The bonus was derived from monthly payments (R4 at Morapalala) made by the community (Mvula Trust June 1996).

In some co-operatives in Bolivia it was found that volunteer positions, such as being a member of a board which oversees the operation of the co-operative, placed a burden on people. As the responsibilities, time and effort outweighed the benefits of being a member, there were few people who were willing to take over these duties, even though the co-operative bye-laws stipulated that people members change every year. (Gerger & Gullberg 1997).

Power relations within CBO

As has been argued above, communities are not homogenous: social relations of power, such as gender and class, differentiate community members. CBOs most often reproduce the social stratifications in that community. In other words, positions of power are more than likely to be occupied by wealthier, more powerful individuals (usually men). It has been argued that by including marginal groups, such as women and poorer people, in CBOs a platform has been provided which 'can increase the bargaining power of less powerful members, including women, by explicitly including them in the process' (Sara in Watson 1997). However, this is not always the case. There is sufficient evidence from both Tambo and Mafefe which suggests that women on committees often do not contribute as equals. Furthermore, there are often inequalities in access to waged work. Women are more likely to fill positions which have low status and are unpaid (James 1997). It is imperative that mechanisms are put in place to mitigate against unequal division of labour and wages in committees.

It is important to point out that strategies or quota systems which ensure that both men and women are equally represented and rewarded do not always have the desired outcome. Take the example of community educators or motivators in Nepal: although it was felt important to hire women as motivators, single women were 'not available for outside employment'. A decision to employ couples was taken on the basis that it would be easier to accomplish both the work within the household and that for the utility. However, it was found that

[w]omen members of the team have not been released from their household chores to the extent that had been envisioned. They are often overworked and tired and, possibly as a consequence of this, occasionally show less interest than would be desirable. Some have since resigned; others have negotiated workable schedules at home. (Inversin n.d.: 44)

Instead of enjoying the benefits of earning money, this work has added to some of the women's workload. While this does not mean that these sorts of initiatives should not be implemented it does raise important questions about implementing gender equity strategies without building the capacity of women to negotiate and challenge the relations of power which enforce the unequal division of labour within households.

Having an inclusive membership is no guarantee that CBOs will not be taken over by local political elites. For example, in the Philippines local leaders in government and business were over-represented on boards, and the mechanisms designed to ensure that the members of the co-operatives were able to participate in decision-making were disregarded. It was found that board members tried to pre-empt any impact which the members of co-operatives would have: participants in annual general meetings were screened and attendance was limited to a few; and rather than eliciting members' opinions, the views of the board were presented at meetings. The co-operative boards and the national utility feared the impact of local political forces and responded by impeding participation. In one instance where a board had been in office for a longer period than was desirable it took 'a strong locally dissident group, a court order and a push from President Marcos' to ensure that elections of the board took place.

The political dynamic then is between a managerial group under fairly strong central control and local political groups. Within the overall national plan for electrification, the competition is over who will get electricity, when and for how much. (Mandel 1980: C-2)

Such occurrences have led to writers on rural water supply rural electrification arguing for the de-politicisation of service delivery. One of the recommendations which is made is that it is often advantageous to exclude local and regional politicians (Meinzen-Dick et al 1997). However, given that it is impossible to separate politics from 'development' (see James 1998) it is unlikely that such observations are appropriate for South Africa. As Crawford Cousins (1997: 21) notes:

At the level of highest abstraction, 'politics' is the way in which the multi-layered struggle over the allocation of scarce resources between subject positions who do not face each other as equals in society is conducted. In South Africa, electricity is a powerful symbol of access and privilege.... In rural areas electrification is a significant potential resource with unknown (but imagined) advantages and unanticipated outcomes which only the experience of electrification and its effects can provide. As the insertion of a valued and highly symbolic service – power – it is an intervention into a local political process contained within a complex history of land use and dispossession, of complicity with and resistance to authority at community, regional or national level .

5 Implications for the electricity utility

One of the most important findings to emerge from this study is that building sustainable CBOs does not mean that they will be self-sustaining. While devolving certain operational and administration functions to CBOs offers the potential to save costs, it does not mean that utility staff can adopt a hands-off approach. Constant contact, support, assistance and training of the members of CBOs is essential. Ironically, cost savings will only be achieved if this support is given. Money rolling, theft, fraud and poor customer service have been found to occur when utility support and training has been lacking. However, as with the conclusions in James (1998), it is necessary to make some comments about an institutional culture which could support this. It is pertinent to ask the question whether Eskom is the appropriate institution to be building the capacity and supporting CBOs.

Getting the institutional culture 'right'

One of the major implications of building CBOs is that fieldstaff have to become facilitators and organisers. While such tasks may be more traditionally associated with NGOs or unions, closer examination of the way in which Eskom works in some regions shows that community liaison staff have been operating in this fashion for quite some time – such as is the case in Eskom's Vereeniging SACs office. Furthermore, there is a need to be flexible when dealing with the fieldstaff. Working closely with communities in a facilitative fashion is demanding and exhausting work. Different ways of supporting this work must be developed.

Experience in the water sector has shown that, despite the acceptance of the important role CBOs can play, the *capacity and will of the service provider staff* does not often exist (Meinzen-Dick et al 1997). It has been found that there are constraints and resistance to establishing and building sustainable CBOs. Very often this is because the institutional culture can often not support this work. It remains unacknowledged, is not adequately paid for and it is often seen as an additional responsibility. One of the main reasons for this is that the impetus behind establishing CBOs is the desire for cost-savings. However, as 'powerful as the financial pressures on the government [are] ... they are unlikely to affect the behaviour of agency staff without *structural changes* that convey the appropriate incentives (Meinzen-Dick et al 1997: 56).

Clearly, this resonates with Eskom where the drive to establish community-based organisation and devolve responsibility stems largely from the need to reduce costs. Some mechanisms which have been implemented in the water sector include the following:

- Staff should be remunerated appropriately and salaries should be affected by the system's performance, and promotions and special honours should also be applied to this work. In other words this work should be accorded value.
- Working with CBOs should be part of staff's job description, with appropriate resources given to this function and performance evaluations based on this work. Publicising performance plans in settlements has been one way in which water sector agencies in Asia have managed to enhance performance as the villagers keep the fieldstaff accountable.

Can Eskom do it?

To institute a practice which will build the capacity of CBOs to fulfil operation and administrative functions in rural communities will be difficult for Eskom due to its organisational culture and form. We would propose that Eskom does not constitute *electricity agencies*, such as those at Tambo and Mafefe, without undergoing organisational change which could support this work. Specialist skills, which are not necessarily found in an electricity utility, are required. Furthermore, this work requires more time. At present, staff working in communities are over-stretched and they do not have any more time to spend in communities. This would mean that Eskom would have to employ more staff to fulfil these responsibilities and undertake to train all staff members to enable them to do this work. In keeping with the recommendations made elsewhere (James 1998), we would recommend that Eskom subcontracts these functions to an organisation, such as an NGO, which has the organisational culture and skills to support CBOs. Eskom would retain its marketing function and controls over revenue collection.

While Eskom managed to devolve operational functions to *close corporations* in Vereeniging, its urban location certainly makes support and training more possible than in some rural areas. It may be possible to duplicate this arrangement elsewhere. However, the flexibility of the Eskom office, the particular skilled fieldstaff and the conditions in the community have together ensured success of these ventures. We would caution against adopting this model as a blueprint for devolving certain operation and administration functions to CBOs. Careful analysis of the particular locality and staff requirements to support this is required.

However, there does seem to be the possibility of improving the sustainability, accountability and efficacy of *vending agents*. A number of SACs offices have implemented mechanisms which have achieved this. These include close support, strict financial controls and training.

It is worthwhile stressing that the restructuring of the electricity distribution industry offers an opportunity to shift the practice of the technical delivery of electricity to prioritise and resource an investment in human development, through improving the approach to delivery as well as emphasising the need to build the capacity of rural people. As argued, resources will have to be allocated to this end if changes in practice are to occur.

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