

# Confrontative Dialogue

“a transformative oriented method for improved understanding between partners whose relationship is asymmetric and characterised by important conceptual gaps and mistrust.” (Abrahamsson, 2004)



## Confrontative Dialogue

Is the distinction between Water Services Authority and Water Services Provider useful?

### One position:

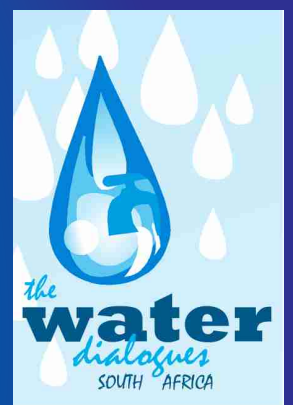
The distinction between Water Authority and Water Provider derives from the neo-liberal framework, and hence it is dangerous to consider such a distinction as 'best practice internationally'. There is a danger in the WSA-WPA division that a new logic emerges: 'delivery is best left to business', which, by ideological definition, is supposed to be the most efficient. Yet the deregulatory market logic has failed society, as witnessed in the current global economic crisis, as 2008-09 witnessed crashes of trade, finance and investment at the worst levels ever recorded.

### Another position:

This approach does lend itself to assigning provision to an external provider – whether another municipality, a water board, or a private sector provider - but that's not the only reason for doing it, and it doesn't mean that the only reason you separate WSA and WSP roles is as a prelude to privatisation. The main driver is the simple principle that a municipality shouldn't be player and referee, particularly where performance objectives aren't clearly specified and where there aren't good performance monitoring and management systems in place. There needs to be a clearer separation of roles. Yes, certainly it can work if you have a technical department delivering services, and then have a separate body in the same municipality monitoring performance. But the problem right now is that we have councillors as the primary regulators at local level, and that has the potential to permit all kinds of abuses that don't necessary achieve good service delivery on the ground.

### Another position:

This separation is the exception rather than the norm in South Africa. By focusing on this issue, our debate becomes polarised around public-private arguments. Instead we need to look at the failure to deliver and acknowledge that motivating for a split in functions is optimistic bearing in mind the actual capacity of WSAs to function let alone function as regulators.



## Confrontative Dialogue

How do we ensure affordable water to all?

### One position:

The starting point ought to be the fact of South African wealth, not poverty. Water and sanitation problems could have been resolved long time ago if, for instance, they had the same priority as the 2010 football jamboree or Gautrain!

The South African Constitution undeniably recognises the right to water and this is a right that has to be respected. Municipal finances do not feature as a major priority for National Treasury-- pressure has to be placed on it to review this. Insisting that municipalities provide more free water in instances where they simply cannot is nonsensical. However, in instances where they can, the necessary regulation needs to be put in place to make this happen.

### Another position:

More grant funding is required for municipal water systems, including larger national-local subsidies in most municipalities, and a more redistributive (steeper and concave) tariff curve within the municipalities. Such a tariff curve makes large users pay much more, in part to achieve conservation and limit future bulk water infrastructure investment costs. As it stands, wealthy people barely notice increases in water price, compared to poor people who cut back dramatically when prices rise. And cross subsidisation should be not only from the rich to the poor, but also from large industrial and agricultural users.

Free Basic Water of at least 50 litres per person per day-- with some arguing for considerably more-- should be provided to individuals, not to households, given that poor households tend to be larger. Indigent registers are used to stigmatise people, divide the community, and are terribly unreliable given authentication difficulties. The majority of people who need free services are often not registered.

### Another position:

Many municipalities need better revenue collection and management—not only more funds. Free basic services should be targeted to ensure that they reach the most needy and vulnerable. Universal provision is far easier to administer, but the cost is enormous, and requires extensive cross-subsidisation from large volume users. Arguably, by targeting free basic water to those who need it, resources will be released to fund a significant increase in the amount of water provided free. At issue is how to strengthen cross-subsidy mechanisms without constraining consumption by big users to the point that funding to cross-subsidise low income households is jeopardised. Particularly in municipalities with a low revenue base and extensive poverty, additional subsidies are needed from the fiscus.