

Interest intermediation in post-apartheid South Africa: the case of electricity supply

Dinga Sikwebu

Until 2008, South Africa had the cheapest electricity in the world at an average of R0.25 cents per kilowatt hour (kWh). This is no surprise. Cheap electricity has historically been crucial for the core sectors of the mineral-energy complex (MEC) on which the South African economy is built. Dependent on low-cost and discounted electricity, sectors such as mining, basic metal smelting, synthetic fuel conversion and basic chemicals have in the past ensured that the country's energy policies were not disadvantageous to accumulation processes of enterprises in these industries. This they did, among various strategies, through occupation of strategic seats in statutory policy-making bodies such as the 1974 Energy Policy Committee (EPC) and the National Energy Council (NEC) established on the basis of the 1987 Energy Act.

With the advent of democracy in 1994 a key question arose: with the potential split between economic and political elites as well as the new dispensation's formal commitment to transparency, how would the interests of the MEC core in relation to security of supply and cheapness of electricity be secured and protected? This paper focuses on the activities of the Energy Intensive User Group (EIUG) of Southern Africa; a voluntary association of energy intensive consumers established in 1999 and whose members currently account for approximately 44% of electrical energy consumed in South Africa. With their dependence on cheap electricity being challenged by increasing prices of electrical power, how have the different mining houses, smelters and Eskom's main industrial customers influenced energy policies in South Africa? As a case, the study looks at the role of the EIUG in the formulation of the Integrated Resource Plan (IRP) 2010-2030; a two-decade plan to build a new fleet of coal-fired and nuclear power stations, plus investments in renewables. The IRP 2010-2030 aims to increase total electricity generation from 260 TWh in 2010 to 454 TWh in 2030. Critically, the paper reveals how the core MEC sectors which the EIUG represents, have through intense lobbying and provision of "technical support" to government departments at all levels of the state ensured a policy environment that favours their interests. Based on a sample of key documents, submissions in public hearings on IRP2010-2030 and semi-structured interviews, the paper also shows the existence of shadow policy networks that are utilised for interest intermediation in post-apartheid South Africa.

Sikwebu is the national education coordinator of the National Union of Metalworkers of South Africa (Numsa) and the convenor of the union's worker-based research and development group (RDG) on energy.