

Collective Management Strategies and Elite Resistance in Cochabamba, Bolivia

TRAVIS DRIESSEN

ABSTRACT *Travis Driessen examines the democratic experiment in public water management institutionalized in Cochabamba in the year 2000. By identifying specific factors that constrain the process, he reveals the challenges participatory management in public water and sanitation companies face in practice.*

KEYWORDS *privatization; common goods; social processes; participation; representation; decision-making*

Introduction

Seven years after the Water War and the institutionalization of a participatory democratic form of public water service management in Cochabamba, the ability of the 'water warriors' to ensure an empowered role of broad citizen participation within the company has been severely constrained. The 'reclaimed' public water company, SEMAPA, continues to exhibit the symptoms of an elite-captured public institution. As traditionally embedded elites challenge this democratic experiment, high rates of corruption and political influence continue, and the majority of civil society remains marginalized. There are signs that the new civil society participants are gradually constructing a local counter-hegemonic force, encouraging equity in service provisions and challenging the corruption and the political influence within SEMAPA. In this article, I attempt to identify several of the fundamental elements that now constrain the participatory management model in Cochabamba. By doing so, I hope to encourage a deepening of the theoretical approaches and critical analysis used to examine the existing cases where water and sanitation service providers have implemented them. In order to better contextualize the nature of the conflict within SEMAPA, it is important to begin by reexamining the conceptual origins of social control and the controversial methods it advocates in order to accomplish its goals.

Participatory democratic approaches to public service management

Social Control was envisioned by the activist coalition that emerged during the Water War to protest the private participation in their water, called the Coordinadora.¹ This participatory management form is rooted in a political ideology that considers various resources, like water, to be common goods. As water is a fundamental element to all life,

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its service management should be collective; 'self-determined and self-governed according to the basic principals of solidarity and reciprocity... under the logic of equality and horizontal relations' (Olivera and Gómez, 2006). Social Control promotes participatory democratic mechanisms that integrate citizen participation into the existing technical, managerial, and operational responsibilities of the service provision. By encouraging participation in water policies and projects priorities, the aim is to create a strong social demand for the water company to serve as a tool for equity rather than a limited economic demand, determined according to the logic of the market, under private operations (Spronk, 2006).

In April, 2000, the Bolivian government conceded to the demands of the protestors, in part, by revoking the contract with Aguas del Tunari² and entering into new rounds of negotiation with the Coordinadora to determine how SEMAPA would be reorganized (Bustamante *et al.*, 2005). The next challenge for these actors then became to develop a new organizational model and successfully implement it, in order to transform this ideology into an effective practice.

Institutionalizing social control in SEMAPA

To facilitate this transition, a temporary Directory Board was created in SEMAPA to allow various municipal actors to define, negotiate, and implement a model of participatory management (Olivera and Lewis, 2005). This new institutional arena was headed by the local political authorities and contributed to reconfiguring the power resources between these actors, providing new advantages for the traditional municipal elites at the expense of the Coordinadora (Driessen, forthcoming).

The series of policies linked to decentralization in the 1990s have created a new political structure, additional responsibilities for local elites, and have fostered new local pacts and political practices, allowing these actors to exploit public companies, like SEMAPA, for political and illicit economic gains (Driessen, 2007, www.pieb.com). This local power structure is composed by the Mayor, members of the Municipal Council³, the

union of SEMAPA, and the co-opted Organized Territorial Bases (OTBs)⁴. From above, the Mayor and the Councilors work to control the management positions of the company in order to extend corruption networks that focus on providing illegal quotas on contracts, as well as to control the service provisions for political gains (Informant 2, personal communication, October 27, 2007). At the same time, the Mayor maintains political alliances with the union (Spronk, 2006) allowing them to exploit certain aspects of the company, in order to prevent protest and public awareness of these extortionist practices. Since 1954, the political practice of prebendal has undermined the performance of public services in Bolivia (Bartholdson *et al.*, 2002). In the current practice, local politicians award their supporters within public companies by allowing them to illegally exploit public service companies and protecting them from any legal consequences (Bartholdson *et al.*, 2002). In Cochabamba, municipal elite actors have traditionally controlled SEMAPA for both a 'botín político'⁵ and illegal monetary benefits for employees and managers. Creating new forms of transparency and expanding control over decision-making in SEMAPA ultimately requires empowering new actors, namely those who are traditionally marginalized, and, consequently, it leads to a loss of control for others, namely municipal politicians and corrupt employees, and, therefore, is resisted (Spronk, 2006).

During this new round of negotiations, the municipal elites waged fierce battles both to derail the social movement's demands for Social Control. The Municipal Council passed a resolution defining participation in SEMAPA, without even consulting the members of the Directory (Terhorst, 2003). This elite-sponsored resolution was negated after more social movement protest. However, with splits in the coalition and less people mobilized on the streets, the collective negotiating power of the Coordinadora was diminished and less effective to challenge these new forms of pacted elite resistance.

The approved model that was implemented in SEMAPA reflected many concessions made by the protestors. This watered-down version severely constrained the empowerment of the new

participants and limited their ability to play an effective role within the management of the company. For example, one of the strongest demands by the more radical members of the Coordinadora was to redefine the legal status of the company from a public to a common property (Crespo, 2006). Meanwhile, the engineer members of the Coordinadora and the municipal politicians argued that SEMAPA must retain its legal status as public property (Informant 4, personal communication, April 10, 2006). The Coordinadora resisted this demand, because accepting this legal definition would result in its reinsertion into the municipal political structure by allowing the mayor, one of the main supporters for the private participation in SEMAPA, to be president of the Directory (Olivera and Lewis, 2005).⁶ Faced with the lack of technical resources, the Coordinadora was unable to provide an alternative viable proposal that could enable the redefinition of the company (Gutiérrez, 2005 in Olivera and Lewis, 2005) and conceded. Another demand by the Coordinadora was to 'socially appropriate' SEMAPA (Olivera and Lewis, 2005). By attempting to reform the internal management of the company, the Coordinadora hoped to be able to accommodate the needs of the participants and thus strengthen their role in the new decision-making processes. To facilitate the social appropriation of the company, the technical team of the Coordinadora proposed creating Technical Committees to oversee planning and project execution. These new actors would be composed of engineers, workers, and the citizens to oversee the various stages of service provisioning. This proposal, however, was denied by the temporary general manager of SEMAPA, who was a member of the Coordinadora (Schultz, 2008).

Implementing Social Control in SEMAPA can be considered an important first step in a longer process to reform the institution and its relations with community actors to involve them in the management. The inability of the social organizations to achieve their goals can also be viewed as a missed opportunity by the social movements to follow through and ensure that their objectives, regarding SEMAPA, could be realized (Crespo, 2006). After the Water War, the actors of the Coordina-

dora 'practically abandoned' the task of restructuring SEMAPA in order to focus their contention on more distant national political issues (Crespo, 2006). Although the ideological content of the SC project espoused by the Coordinadora was rich in discourse, in practice, the negotiated participatory model failed to establish any real substantive mechanisms and practical approaches to achieve its goals.

In both perspectives, an important factor to reiterate is that the institutionalized arena of popular contestation created profound challenges for the progressive actors to effectively negotiate their demands for a new form of common good governance. Under the pressure of powerful local elite opposition and the internal divisions within the coalition itself, the activists were unable to mobilize the necessary power and technical resources to successfully define and implement an effective participatory management model immediately following the Water War. As this process has unfolded over the last several years, new elite resistance and counter-hegemonic appear to be developing in tandem. Although the elites of the municipality and the institution appear to maintain their domination, progressive actions by the social organizations, at times, have been successful in advocating equitable service provisions, confronting corruption, and resisting political influence within the company.

Social control in practice

One of the most important steps towards the 'social appropriation' of SEMAPA has been the new addition of the Citizen Directors (CDs) to the SEMAPA Directory⁷, which compose 4/9th of its members. The CDs are universally elected by *Cochabambinos* and are responsible to represent the demands of water users within various geopolitical constituent zones of the municipality, oversee the activities of the managers and workers, and evaluate the performance of the company.

The ability of the CDs to effectively represent their constituency is dependent upon formalized responsibilities to guide their relations with the broader civil society members. In order to channel broader citizen participation, Basic Services

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Committees (CSBs) were attempted to be created by the Coordinadora. As with many new political processes, these participatory institutions were built on top of existing participatory structures called OTBs. Although the OTBs were known to be co-opted by local political elites and practice clientalism (Bartholdson *et al.*, 2002; Crespo *et al.*, 2004), the Coordinadora hoped that by inserting these CSBs, they could transform them by encouraging broader and more diverse citizen participation for issues related to water and sanitation service provisions within SEMAPA (Gutiérrez, 2005 in Olivera and Lewis, 2005). The OTBs, however, have refused to create the CSBs and continue to maintain their dominance over issues related to the determination of public service provisions while leaving many social organizations marginalized. For example, ASICA-Sur,⁸ because of its contentious critiques of the company's poor performance and its demands for a comprehensive non-politically determined plan for water expansion into the Southern Zone, is consistently treated as an outsider by the OTB presidents, politicians, and company managers. In response, its participation strategies are mixed. In one aspect, the group mainly partakes in contentious actions such as protest. Another strategy that has proven effective, however limitedly, is the effort to support CD candidates and then to lobby their demands with their representatives once they have been elected.

Within the short seven years after its reorganization, SEMAPA has developed and is now in the initial stages of executing a Plan of Expansion. This infrastructure expansion plan intends to connect the majority of the Southern Zone, which is the poorest region of Cochabamba and the least connected to the service grid of SEMAPA. The idea of the plan was first planted by the co-creator of ASICA-Sur, turned CD, Luis Sanchez Gomez, in 2001, which the Directory then approved. This infrastructure expansion effort demonstrates that within the context of new relationships developing among social organizations and the new CDs, voices from the traditionally marginalized communities are increasingly finding new routes to effectively advocate equity-based water projects in Cochabamba. The implementation of this plan,

however, has proven to be problematic. In many ways, this project reveals the problematic symptoms that plague the efficacy of the Social Control project, such as the technical bias in planning and the political provisioning of services.

After securing the finance from the Inter-American Development Bank, a new municipal office was created to define the actual project layout. This office is primarily composed of appointed technocrats who report to the mayor. The CDs have been ineffective in proposing viable plans within this project or scrutinizing the project due to the lack of any technical training. The mayor, reinforced by his technocratic staff, has used this office to construct political campaigns to consolidate his electoral support with OTB presidents by offering them access to service provisions (Driesen, 2007). The strategic use of the OTBs to socialize the project has effectively marginalized ASICA-Sur from the process and created new conflicts over access to the new infrastructure. The fact that important civil society actors, like ASICA-Sur, were marginalized from this process demonstrates a serious deficiency in the participatory process to encourage cooperation among the diverse social organizations and the water-users in general. In addition, the impotence of the CDs to oversee the project reveals another challenge for the social appropriation of the company that is dependent upon breaking down the technical-social boundary and creating new forms of cooperation between these actors in its place within the management and provision of the service.

The election process to hire a new General Manager in 2006 was controlled by the elites of the municipality. From the very beginning, the mayor and the council member demonstrated their support for this candidate. In several documented instances, these actors ignored statutes that regulate the hiring of public officials in order to secure his candidacy and election into the position. When several social organizations and workers began to protest this decision, the Councilors responded by saying they would not interfere in this issue because it was the responsibility of the mayor and the Directory (Opini3n, 2006). This denegation of the citizen complaints by the

council effectively blocked any further protest to block Rojas from assuming the position.

In late 2007, a report by an independent consulting agency revealed that there were over 51 irregularities in the preceding year of management representing an estimated cost of over \$600,000 US to the company (HB León Asociados, 2007). Further investigations were led by the CDs, a few SEMAPA employees, and various social organizations and revealed a higher estimate that totalled around \$1million US (Informant 2, personal communication, October 27, 2007). The CDs' ability to provide this report was challenged both by the limited access to an 'informal flow' of information that was consistently restricted by the General Manager and the Municipal offices and the fact that the document was written in a legal and technical language that made them difficult to analyze (Informant 2, personal communication, October 27, 2007). After the difficult process of compiling the report, the CDs hosted an emergency meeting of the directory to propose the suspension and legal investigation of Rojas (Los Tiempos, 2007). In the directors representing the elites of the municipality, all voted not to suspend Rojas. The CDs, and the other actors involved, then took their case to the union, which until this time was still supporting the GM, to encourage them to make a formal denunciation (Informant 2, personal communication, October 27, 2007). The union, fearing the devastating consequences to SEMAPA from the staggering level of corruption, agreed and made a public denunciation. The mayor, now aware that he no longer had the support of the union and fearing an escalation of the crisis, finally decided to approve the suspension and investigation (Informant 2, personal communication, October 27, 2007).

The elite resistance to the Social Control process significantly constrain the ability of the new civil society actors to expand the control of management decisions and service provisions of SEMAPA. This traditional power structure, however, seems to be showing new signs of vulnerability. These successful efforts by the participatory actors to successfully lobby a comprehensive infrastructure expansion plan and force the suspension of the corrupt general manager demonstrates the devel-

opment of a new political force that has been periodically effective in disrupting the elite power structure that has historically challenged the performance of the company and the equitability of its service provisions. As these progressive actors arduously chip away at the formidable power structure and strengthen their capacities in the process, their goals for the social appropriation of the company still appear to be achievable.

Unfolding participatory processes

Progressive advocates of participatory processes often aspire to reduce the increasing concentrations of power within representative democracies by empowering citizens within the deliberative and implementational stages of policy determination and public service provisioning (Fung and Wright, 2001). Building upon Susan Spronk's argument, which states that elite actors often resist participatory processes due to their nature to reconfigure power relationships (Spronk, 2006), I have illustrated that, fledgling participatory processes are embedded within a broader historical political structure and practices that make their outcomes vulnerable to elite resistance. Traditional elites, operating from their vantage points within these power structures, often resist these new popular decision-making institutions, by either not fulfilling their new responsibilities or attempting to co-opt the process, in order to maintain or expand their power. The contentious origins commonly associated with these new democratic experiments often produce a profound elite backlash and create new power struggles within the local context where they are implemented. The various forms of elite resistance provide consistent challenges to the efficacy of SC in SEMAPA and demonstrate the fragility of these 'revolutionary' models when placed in relation to these powerful actors.

The technical bias in water service companies provides another dimension to the types of obstacles 'water warriors' face in their efforts to reform the internal management and the service provision processes. The 'social appropriation' of water service companies is often resisted by company professionals who have not yet been convinced as

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to how these participatory actors can improve the performance and equity of service provisions. Social appropriation does not only involve the direct oversight of projects executions however, rather, in SEMAPA, it has also meant involving citizen participation in the creation of general policies of service expansion and the evaluation of the performance of the employees of the company. In the case of the suspension of the General Manager, the lack of clearly defined policies on transparency to accommodate the non-expert participants hindered their capacity to oversee his performance. Although the CDs were successful in making a strong enough case to suspend Rojas, clearly defined, the lack of transparency mechanism in the company continues to support corrupt practices.

Another vulnerability of participatory strategies is that they often imagine the community as a 'coherent, relatively equitable social structure, despite the fact that inequitable power relations and resource allocations exist within the community' (Bakker, 2007). Although the Coordinadora recognized the asymmetric power resources of the OTBs and attempted to reconfigure them through the creation of the CBSs, these actors were able to resist opening their legally recognized participatory spaces and allow additional social organizations and citizens to deliberate on the issues related to the service provision. The informal mechanisms that connect the majority of the other members of civil society to the directory

of SEMAPA challenge their ability to effectively participate in the decision-making involving water service provisions.

Collective forms of public service management attempt to guarantee well performing companies and equitable public service provisions that can appropriately respond to the social demand of the entire community. This feat has yet to be achieved in SEMAPA: neither through traditional forms of public management nor through the participation of private companies. The unfolding process of Social Control has demonstrated its potential to move towards these goals. Yet the local political context in which this process provides formidable challenges to further devolve decision-making power and open the company up to public scrutiny. These profound changes cannot happen over the course of a *water war* or even less within a symbolic restructuring of the Directory. Creating effective forms of Social Control require long-term commitments and broad cooperation by engaged and capacitated citizens to work diligently in eroding historic political and organizational cultures of corruption and exploitation. While the activists and academics who compose the transnational social movement for public water continue to advocate community control over public water and sanitation management, the theoretical approaches and critical analysis used to deconstruct the actual participatory cases remain, cautiously, underdeveloped.

Notes

- 1 Translated as: the Defense Coalition for Water and Life.
- 2 This subsidiary of the transnational corporation Bechtel was awarded the concession contract to assume control of the operations of SEMAPA.
- 3 The legislative branch and maximum authority of the local government. Also responsible to oversee the decisions of the Directory.
- 4 During the 1990s the neoliberal government introduced the Law of Popular Participation and institutionalized a new participatory development project that created legally recognized participatory development actors called OTBs. These actors are responsible for participating in the co-production and execution of the municipal budget in issues related to infrastructure projects and public services.
- 5 Translated as: Political Booty. This Bolivian expression is used to describe the political benefits that politicians receive by controlling public services.
- 6 The law of Municipalities.
- 7 The Directory is a deliberative decision-making body that is the Maximum Authority of the company. The board is composed by the: mayor (2), governor (1), water ministry (1), association of professionals, (1) and CDs (4).
- 8 An association of water committees maintains the participation of over 120 such committees, representing about 60,000 people in the Southern Zone (Orellana H., 2005).

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