Cochabamba!
Bolivia’s Water War

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Leading to the Water War

- Cochabamba and the water scarcity problem
- Commodification of resources
- Law 2029 (1999)
- Rural/Urban drilling conflicts
- Aguas del Tunari contract
The Water War

- Riot 1 (December 1999)
  - Law 2029 (prohibits guarantee of water to rural areas, rain collection...)
  - Aguas de Tunari gains exclusive rights
  - Traffic blockade
  - Agreement to revise law and contract

- Riot 2 (February 2000)
  - Agreement not honored
  - Peaceful protest turned violent
  - Agreement to revise law and contract

- Riot 3 (April 2000)
  - Two day street war
  - Aguas de Tunari leaves voluntarily
  - Law 2029 modified, control returned to SEMAPA (municipal company)
  - Problems still remain
State and Private Control

What went wrong?
- Abuse of power
- Unequal distribution
- Lack of communication
- Accountability
- Exclusion from decision-making process

Why?
- Centralized bureaucratic control
- “Haves” versus the “have-nots”
- Decisions based on technical convenience rather than consumer demand
- Governmental officials as stakeholders in Aguas del Tunari
- Lack of popular consent/sovereignty
Solutions: Well-Implemented Privatization

- **Role of the state government**
  - Regulation
  - Monitoring (water quality and waste treatment)
  - Representation
  - Accountability/Overseer

- **Role of the private consortium**
  - Fulfill contractual obligations
  - Service provider (infrastructure and supply)
  - Innovator
  - Constrained operations
Solutions: Decentralization

- **Role of state government**
  - Similar to private approach (regulation, monitoring, accountability)

- **Role of local water committees**
  - Small service providers
  - Greater participation
  - Independent and community-specific

- **Market Incentives**
  - Tradable water rights

- **Infrastructure support (grants and loans)**
  - State government
  - International organizations
  - NGOs
Decentralization in Cochabamba

- Low susceptibility to privatization due to past failure
- Access to “tacit knowledge”
- Lower transaction costs
- Increased legitimacy
- Increased transparency
- Clearly articulated property rights
Sources


Questions?