

DECLARATION

Fifth Meeting of the WATERLAT Network, Quito, 14-18 October 2013

Is Latin America moving towards a "post-neoliberal" water politics?

The question that provided the central theme for the Fifth Meeting of the WATERLAT Network was an attempt to focus the meeting on a debate about the continuities and ruptures experienced by Latin America in relation to the period generally termed “neoliberal”, especially since the 1990s. Broadly speaking, we understand “neoliberalism” as the re-implantation by different means (democratic, authoritarian, dictatorial, etc.) of free market principles as the privileged mechanism for social re-ordering. In particular, we refer to the process of radical change in the role of the State through the policies of de- and re-regulation, commodification, and privatization of goods and services, the dismantling of the systems of social security and state protection, and the limitation or even cancellation of citizenship rights. In relation to water, these policies were especially reflected in the abandonment of the historical roles and responsibilities of the State through the privatization of public water and sanitation services, the transfer of responsibility for the management (and sometimes also for the investment) of basic water services to the users, especially the poorest and the excluded from the conventional service networks, the attempt to convert water sources (rivers, lakes, aquifers, etc.) into private property and create pseudo water markets, and the reduction of the rights of the citizens to the right of consuming commodities. In other words, the neoliberal water politics that predominated since the 1990s were centred on de-politicising the government and management of water and essential water services and on reducing citizen participation exclusively to the dimension of market exchange, thus excluding the possibility of political debate over the government and management of water and essential water services.

These policies were promoted by the International Financial Institutions (IFIs), such as the World Bank and International Monetary Fund, and were accepted by the majority of the region’s governments, in general without public consultation and often despite the opposition of the majority. In cases like Chile and Argentina, neoliberal policies were brutally implemented by military dictatorships, in different forms, to different degrees and with different effects, and were later deepened by democratically elected governments. The policies never had a strong support from the people of Latin America, even in those cases where there was no record of open opposition to their implementation. However, neoliberal water policies triggered a strong opposition in many regions and countries, including violent confrontations that caused human casualties, as in the case of the Water Wars in Bolivia since the year 2000. In several ways, it can be argued that neoliberal policies, not just in Latin America but also globally, suffered great defeats, with the cancellation of concession contracts for different reasons, including the non-compliance with contractual arrangements by private concessionaires, the failure to extend services to the poor, corruption, or simply the lack of commercial viability of privatization projects. The struggles against these policies carried out by organized sectors of the population, among other issues, were connected with the coming to power of non-traditional political actors since the late 1990s in several countries of the region, including Venezuela, Brazil, Bolivia, Argentina, Uruguay, Nicaragua, and Ecuador. These countries, among others, adopted a number of policies clearly oriented at reversing some of the more negative aspects of the neoliberal period, especially the increase of extreme poverty.

The experiences of this group of countries have prompted the notion that Latin America would have entered a “post-neoliberal” period. This new period would be characterized by a number of political decisions, especially the attempt to recover the leading role of the State in promoting economic growth and redistributing wealth through specific measures directed at reducing extreme poverty such as promoting consumption and providing basic services to the poor, developing more autonomy in relation to the IFIs, or cancelling long-term concession contracts (one of the main forms of privatization during the neoliberal period). However, we believe that acknowledging that there have been important ruptures with the neoliberal model of the 1990s does not relieve us from the responsibility of highlighting the existence of significant continuities as well as the emergence of new form of production and reproduction of policies and actions inspired in free-market principles, even countries currently governed by progressive political actors.

This is why we decided to address the question Is Latin America moving towards a "post-neoliberal" water politics? In this regard, the participants in the meeting came to the following conclusions, which provide the basis for a preliminary response:

- We recognize the existence of important ruptures with the neoliberal period in some countries of the region. These ruptures are related mainly with the recovering of an active role of the State in strategic decision-making and in the capacity to invest in the promotion of economic growth, a better wealth distribution, and the reduction of extreme poverty. It is important to celebrate these achievements that have taken place in a context that favours the recovering of important aspects of sovereignty and the promotion of regional integration.
- The neoliberal model has suffered a series of deep crises and exhaustion in the region, which has prompted diverse responses. Some governments such as those of Chile, Colombia or Mexico have not moved into a post-neoliberal stage but have rather exacerbated neoliberal policies, seeking a solution to the crisis in the same free-market policies. The emergence of the Pacific Alliance is the clearest demonstration of such process. In other cases, there have been clear attempts to rebuild the capacity of the State to intervene and lead the processes of economic growth and wealth distribution, which constitutes a rupture with the neoliberal orthodoxy, as it has been the case in Argentina, Bolivia, Brazil, Ecuador, Uruguay, or Venezuela. For these reasons, we understand that it is not possible to give a single answer to the question, given that in each case we need to analyse the particularities. For instance, those countries that have managed to introduce ruptures with the neoliberal orthodoxy have done it in different ways, whether through processes leading to constitutional reforms, as in Bolivia, Ecuador and Venezuela, or through heterogeneous tactics that are mostly reformist. In addition, we must remember that several of these processes suffered coup attempts that were successful in some cases like Honduras and Paraguay or were successfully neutralized in other cases like Bolivia and Venezuela.
- However, it is clear that despite the improvement in the economic conditions of the most deprived population as a result of the more active role of the State in promoting greater access to consumption goods and in universalizing the basic systems of social security, there has neither been an effective reduction of structural inequalities nor a mitigation of the processes of social exclusion, which in some cases have been even worsened.
- From another angle, it is important to highlight that although some countries have introduced ruptures with the neoliberal orthodoxy at the national level, at the sub-national level there is a persistence of processes where the neoliberal model is intact or has been even deepened by provincial or municipal governments. In contrast, it is important to acknowledge that in countries where the neoliberal orthodoxy continues to be hegemonic at the national level there exist important processes of rupture at the sub-national level. Likewise, at the international level there exist diverse processes of rupture with the neoliberal orthodoxy, some more homogeneous such as the Bolivarian Alliance for the People of Our America (ALBA), other more heterogeneous such as the Union of South American Nations (UNASUR). In contrast, the region is also experiencing attempts of deepening the neoliberal model at the international level, such as in the case of the Pacific Alliance composed by Chile, Colombia, Mexico and Peru, which could be extended in the near future to include Costa Rica and Panama. The politics of water management defended by the Pacific Alliance attempts to deepen the neoliberal model, promoting the privatization of water sources and essential water services.
- In relation to the specific theme of our meeting, a fundamental question that we aimed to discuss was to what extent the countries that have introduced ruptures with the neoliberal orthodoxy have also introduced changes in the conditions that facilitate democratic participation to confront environmental inequalities and injustices, particularly in relation to water. The evidence presented in our meeting suggest that there have been important advances in the constitutional protection of environmental rights, which includes the sanction of laws and norms that have attracted international recognition. However, there are strong tensions between the legal and formal aspects and the actual application of the norms, because the populations affected by environmental inequalities and injustices rarely manage to exercise their rights in practice. Moreover, there is evidence of worrying setbacks because some progressive governments are

applying repressive laws inherited from the military dictatorships or even introducing anti-democratic elements in the legislation and in public policies to criminalize social protests. A case in point is the violation of the rights of indigenous peoples, which contradicts the advances achieved through constitutional reforms and the incorporation of international norms such as the Convention Nº 169 of the International Labour Organization and the United Nations Declaration on the Rights of Indigenous Peoples.

- A disturbing problem, independently of the degree of continuity or rupture with the neoliberal orthodoxy, is the socio-environmental impact of those policies that some authors have termed “growth-centred” [crecimientistas], based on the promotion of a model focused on extractivism and primary exports, whether through large-scale mining, agribusinesses, or mega infrastructures that are being implemented or favoured by the countries of the region. Too often, the implementation of this model is characterized by mechanisms of dispossession and deterioration of water and territories, which exacerbates the processes of production and reproduction of socio-ecological inequalities and injustices. Among other issues, there is a continuity and deepening of processes that have negatively affected Latin America for centuries, such as unequal ecological exchanges or toxic imperialism. These processes are currently experiencing a rapid expansion not just in the traditional “North-South” relation but also increasingly in a “South-South” relation within the region and in relation to other continents, particularly Africa.
- Another alarming topic is that despite the processes of rupture with the neoliberal orthodoxy, for instance through the de-privatization and re-nationalization and re-municipalization of public companies, there exist important contradictions because of the continuity of the process of commodification of common goods and essential public services, such as basic water and sanitation. The inertial forces of neoliberal policies from the 1990s can be seen for instance in a tendency whereby public companies behave as private enterprises, even working as multinationals in other countries. The main problem is that for these companies the main priority is now the production of profit rather than the satisfaction of the needs of the population. This is an area where neoliberal policies have been successful, because they have succeeded in de-legitimizing the notion that the fundamental principle for the provision of essential public services such as basic water and sanitation is to guarantee universal and quality access to the services and not the generation of profit. Clearly, to recover our privatized companies and placing them under public control is a necessary but not sufficient condition to re-establish the substantive sovereignty over the living conditions of our populations. Moreover, even the countries currently governed by progressive sectors are promoting old and new forms of privatization of public services, from the traditional concessions to “public-private partnerships”, which includes the emergence of regional multinationals (“multilatinas”) that behave identically to the European and North American multinationals that in the 1990s represented the quintessence of neoliberalism.

For the above reasons, we consider that it is not possible to give a definitive answer to our question about if Latin America would be heading towards a post-neoliberal water management. We identify an enormous complexity at the regional scale: while some countries and some sub-national regions try to deepen the rupture with the neoliberal orthodoxy inherited from the 1990s, others are clearly committed to the consolidation and expansion of a social order centred on free-market principles. Some authors have termed the latter process “hyper-neoliberalism”, whereby the solution to the crisis of neoliberalism is sought in the deepening of the model. In addition, even those countries that clearly try to introduce ruptures with the neoliberal orthodoxy continue to confront the impact of the inertial forces of that model, which is reflected in the continuities and worrying setbacks that include the emergence of authoritarian and repressive processes against social protests.

In our Fifth Meeting we witnessed the presentation of alarming evidence in relation to the continuity and deepening of processes that produce and reproduce socio-ecological inequalities and injustices in Latin America. We discussed these issues in depth with the participation of academics and representatives of the public sector, civil society organizations, indigenous communities from the Andean region, and affected communities. At the beginning of the XXI Century Latin America has a historical opportunity to build more egalitarian and just societies, free from the extremes of poverty and structural inequality. However, there is also a risk of losing the gains made in the last

decade, of suffering setbacks, and that the anti-democratic processes that persist in the region could be consolidated or even deepened. Therefore, we consider imperative to prioritize the protection of the rights of the populations and the deepening of substantive, nor merely formal, democratization. This will require radical and urgent changes in the policies currently implemented or tolerated by the governments of the regions, including the policies related to the management of water and essential water services.

Plenary of the Fifth Meeting of the WATERLAT Network,

Quito, Ecuador, 18 October 2013

Note: For more information about the debates that took place in the Meeting, visit our Internet site: www.waterlat.org.