



## CASE STUDY

# Bolivia: The water war to resist privatisation of water in Cochabamba



## Summary

In Bolivia, shifts towards the privatisation of water supply and sewage services caused strong dissatisfaction, resulting in the eruption of social conflict. Because of the severe dissatisfaction, action was taken to cancel the previous agreements and instead launch a forum where government representatives, social organizations, the private sector and municipalities participate to formulate of a new policy. This case illustrates the crucial importance of rooting policies with the public.

## Background

In Bolivia there are marked differences and inequalities in access to water between urban and rural areas, and between different locations. The city of Cochabamba (the Cercado) has approximately 470,000 inhabitants (76% of the total population in the department), and only 55% of people are covered by drinking water services. Cochabamba is located in a valley where the scarcity of water has generated conflicts over a long period.

The international consortium “Aguas del Tunari” was granted a concession to supply drinking water and sewerage services to the city of Cochabamba, Bolivia in September 1999. One month later, the Act No. 2029 on the regulation of the water and sanitation sector was passed, containing a set of rules to legitimize such contracts with a strong bias towards privatization. In addition, rules that aimed to regulate the use and exploitation of water resources were adopted.

Both events caused reactions and led to mass mobilization of the population. In urban areas, the protests were sparked by the perceived excessive increases in water tariffs. In rural communities, there was widespread concern about the effects of the new law on traditional rights and access to

water for irrigation and domestic uses.

Social conflict erupted in February and April 2000, with several days of intense clashes between so called “guerreros del agua” (water warriors) and the police. These clashes culminated in the declaration of a national state of siege.

## **Actions taken**

Social discontent was so great that the only possible solution was the cancellation of the Contract that had been agreed with the Consorcio Aguas del Tunari and the modification of more than 30 articles of the No. 2029 Act, which would become the new No. 2066 Act. An agreement between the Government and the “Coordinadora” is signed, establishing that:

1. SEMAPA will again be in charge of the service under the direction of the Municipality and of popular/civil and professional organizations

2. The blockades will be lifted when the changes to the No. 2029 Act in Parliament are approved and evidence of the cancellation of the contract is produced.

The first condition is fulfilled in the evening of the same day. Then the President enacts the new No.2066 Act that reforms 36 sections of the previous act. What happened in the “guerra del agua” (waterwar) in Cochabamba started a process of wider grassroots participation in the formulation of regulations and policies concerning water resources. It is in this context that the Consejo Interinstitucional del Agua or CONIAG (Inter-institutional Water Council) has been recently created, as a forum where government representatives, social organizations, the private sector, academic institutions and municipalities participate with the mission of reaching a consensus in the formulation of a new policy and water legislation for Bolivia.

## **Outcomes**

The main positive achievements of the social protests are as follow, -Restoration of the public character of the water company SEMAPA, but now with a better level of social participation and control in its board of directors.

- Change of the Ley de Servicios de Agua Potable y Alcantarillado Sanitario (Water and Sewage Services Act) in 36 of its sections. Among other things the new Act guarantees:
  - respect of small systems for drinking water supply;
  - recognition of the rights of indigenous populations and peasants to their water sources and drinking water systems;
  - social control of contracts and charges/tariff reviews.
- Opening-up of government and international financial organisations to the processes of dialogue and social consultation that should be followed in the formulation of laws and regulations on water.

This is expressed in the start up of several consultation processes, for example, in developing the regulations of the No. 2066 Act and Normativa de Riego (set of regulations on irrigation) as well as the creation of the Consejo Interinstitucional del Agua or CONIAG (InterInstitutional Water Council)

## **Lessons Learned**

The difficulties encountered in the implementation of legislation that does not take into account pre-existent rights (in the case of Bolivia peasant and indigenous rights).

It is not possible to regulate the use and exploitation of water with sector related legislation only; it needs to integrate all the water uses.

Privatization is not necessarily limited to corporate companies. Another option involves other organized bodies such as water committees that typically function under the civil law but with different mechanisms of social control and participation.

The full cost recovery principle should be applied cautiously in poor communities (countries) where public investment is still needed. Social participation, public access to information, and transparency in the administration of services and resources are fundamental aspects of good governance.

Regulations need to be made efficient as the first step in any privatization. It is necessary to create mechanisms of social control that allow for transparency, and are therefore less vulnerable to corruption in the regulation of basic services.

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**Related IWRM Tools**

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