“We won but we lost”: Social movements, constitutional implementation, and the restructuring of water governance in Ecuador and Bolivia

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Chapter I: Introduction

“El agua es vida; cuidala”

- Sign outside of Cotacachi, Ecuador, shown in Appendix 1

As I drove from Cotacachi, Ecuador back to the capital city, Quito in the fall of 2016, I saw a sign which read: “El agua es vida; cuidala.” This translates to “water is life; protect it.” What struck me about this sign was how it encapsulated two critical aspects of water issues: the necessity of water to human life, and the necessity to develop water policies that manage, distribute, conserve, and protect the natural resource. Climate change, population growth, and migration patterns all compound the need to proactively develop effective water policies. Until the 21st century, the international community largely ignored this need. It was not until the 1970’s that the international community recognized the human right to clean water. In 1977, the United Nations (UN) declared that everyone has “the right to have access to drinking water in quantities and of a quality equal to their basic needs.” In 2002, the United Nations issued a General Comment clarifying its position on water: “The human right to water entitles everyone to sufficient, affordable, physically accessible, safe and acceptable water for personal and domestic uses.” Despite the international attention on clean water access, by the start of the 21st century, the number of people worldwide without clean water was still staggeringly high. Following a 2004 report that indicated over 1.1 billion people lacked access to clean drinking water, the UN declared an “International Decade for Action; Water for Life” from 2005-2015.

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This move catapulted clean water access into the public limelight, where celebrities like Matt Damon and Jay-Z joined the cause, cementing its status as a minor cause célèbre.

In 2010, fueled by the international attention bestowed on the issue, the UN released its strongest statement yet on water access. Resolution 64/292 states: “the right to safe and clean drinking water and sanitation is a human right that is essential for the full enjoyment of life and all human rights.” By situating clean water access in the pantheon of human rights, the UN dramatically increased the legal and moral imperative for nations to provide clean water to their citizens. For a while, it appeared the international focus on the issue had paid off; halfway through the Decade for Action, the number of people without access to clean water had dropped to approximately 884 million (a drop of over 300 million in just five years). Yet, soon after, the mercurial public interest in the issue waned and progress slowed. Today, nearly a decade after the UN passed resolution 64/292, approximately 844 million people still lack access to safe drinking water, only 40 million fewer than eight years ago.

The increased awareness of the worldwide clean water crisis was accompanied by a proliferation of literature on the subject. First introduced as a concept nearly 70 years ago, the field of integrated water resources management (IWRM), which the UN called a set of practices designed to promote the “efficient, equitable and sustainable development and management of the world's limited water resources,” was suddenly en vogue in the early 21st century.

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reinvigorated discussion about IWRM indicates the scholarly approach to the water crisis; intense focus on the what and why of water policy at the expense of the how. In other words, scholars wrote profusely on the types of water policies that should be adopted but very little on how these policies should be implemented. This paper makes a case for renewed interest in the how.

By focusing on how water policy is implemented, this paper recognizes that water policy is not, in and of itself, the desired end. Rather, water policy is the means to that end. For example, the passage of a constitutional ban on water privatization is not the ultimate goal for water rights advocates; the ultimate goal is a country free of privatized water. To accomplish that goal, the water policy—in this case the constitutional ban—must be implemented. Yet, this vital last step is too often ignored. Dr. Sendhil Mullainathan, an economics professor at Harvard University, calls this the “Last-Mile Problem:”

Faced with a stubborn challenge, we employ brilliant minds and vast resources to design solutions. We combine science, engineering, creativity, and careful testing, and often we succeed in solving the technical problem—thus completing 999 miles of a thousand-mile journey. Then, inexplicably, we pack it in. Instead of taking the same rigorous approach to adoption, we just put the solution out there and expect it to speak for itself.³ The divergent policy outcomes of Ecuador and Bolivia’s constitutional bans on water privatization demonstrate that water policy cannot always be expected to “speak for itself.” As these case studies show, simply enacting water policies is a poor guarantee that those policies will be implemented.

Following the prevalent trend, the Ecuadorian and Bolivian governments’ focus during the presidencies of Evo Morales (2006 to present) and Rafael Correa (2007-2016) was on

creating new and progressive water policies, not on implementing those policies. Each president campaigned on the promise of ending the neoliberal policies that had guided each country’s water governance regimes for decades. The beginnings of their administrations were encouraging in this regard; both Morales and Correa channeled the leftwing political fervor generated by their successful presidential campaigns into the creation of new national constitutions that codified their anti-neoliberal ideas. The Ecuadorian (2008) and Bolivian (2009) constitutions were, and remain, the most radically leftist constitutions in Latin America.\(^8\) The Ecuadorian constitution was the first national constitution in the world to give formal legal rights to nature and the Bolivian constitution attempted to curb the influence of transnational corporations (TNCs) on the Bolivian economy and ensure indigenous representation in the Bolivian government.\(^9\) Reflecting the social justice and anti-neoliberal sentiments that gave rise to them, both constitutions unequivocally prohibit the privatization of water. Yet, almost ten years after the enactment of the Ecuadorian constitution, its promise of a new, non-neoliberal, water governance regime has not been fulfilled. While Bolivia implemented its constitutional ban by cancelling all private water concessions and creating public water distribution agencies in urban centers, Ecuador’s largest city is still served by a private water concession.\(^10\) Moreover, 60% of all water in Ecuador is still owned by the country’s top economic 1%.\(^11\) This paper analyzes Ecuador and Bolivia’s constitutional bans on water privatization to determine why Ecuador has failed to implement its

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ban, while Bolivia has done so successfully. Ultimately, this paper concludes that Rafael Correa’s lack of accountability to social movements, coupled with his changing electoral base, incentivized him to appease coastal elites by maintaining their private water systems. To elucidate this argument, this paper is divided into eight chapters.

**Organization of this Paper**

Chapter II situates this thesis at the intersection of social movement and water governance literature and demonstrates how the existing literature fails to adequately explain the different policy implementation outcomes of the Ecuadorian and Bolivian constitutions.

Chapter III departs from the specific analysis of the literature offered by chapter II and provides historical background on neoliberalism. Chapter IV transitions to discussing the historical context of water privatization in Latin America, Ecuador, and Bolivia. Chapter V analyzes the reactions to water privatization in Latin America, focusing especially on Ecuador and Bolivia. Through thick description, these chapters provide the social, economic, and political context necessary to understand why Ecuador still has privatized water systems while Bolivia does not.

Chapter VI addresses four potentially viable hypotheses for the difference in Ecuadorian and Bolivian policy outcomes: governmental operations, social movements, international influence, and local politics. Ultimately, this chapter concludes that none of these hypotheses satisfactorily answer the research question. Picking up where chapter VI leaves off, chapter VII presents my core argument for why Ecuador has not implemented its constitution ban on water privatization. This chapter explains that while Morales is accountable to a social movement base, Correa was accountable to coastal elites, which gave him a political incentive to leave the constitutional ban unimplemented.
Concluding this paper, chapter VIII discusses the lessons that other social movements fighting against water privatization can learn from the social movements in Ecuador and Bolivia.
Chapter II: Relevant Literature

No literature has been written to explain the different outcomes of the constitutional bans on water privatization in Ecuador and Bolivia. Even from a non-comparative angle, little academic research has been done on the implementation of Ecuador or Bolivia’s constitutional bans. Yet, social forces and movements in each country are keenly aware of the implementation (or lack thereof) of the constitutional bans. This paper will move the discussion about the different outcomes in Ecuador and Bolivia from the activist to the academic realm, thereby filling a gap in the existing literature. This project advances the theory surrounding one of the most important regulatory practices in the world: water privatization. As water and other natural resources become increasingly scarce, the systems that distribute, regulate, and manage them will become of paramount importance. This project also contributes to filling a gap in the existing literature around the social dynamics of water privatization projects.

While a significant gap in the literature regarding water privatization does exist, this paper does not reside in isolation; it draws on other existing literatures to inform and contextualize the contours of the research. The following academic literatures are relevant to this project: 1) hydropolitics; 2) neoliberalism; 3) governmental functions and; 4) social movements. When put in conversation with each other, these distinct literatures reveal three key areas of overlap: 1) water privatization; 2) water governance, and; 3) social movements in response to water governance. This literature review will sketch the boundaries of the water privatization discipline by outlining the relevant literatures, highlighting the gap my research will fill.
The Politics of Water

The politics of water, known as “hydropolitics,” is an incredibly diverse and varied literature. Importantly, “hydropolitics” is, itself, something of a misnomer; the literature recognizes that the politics of water cannot be separated from social and economic factors. Thus, “hydropolitics” includes explorations of the political, economic, and social facets of water. Accordingly, the hydropolitics literature spans authors concerned with the environmental impact of water development, to those interested in the theoretical definition of a “common good” resource. One of the most developed topics within hydropolitics is that of water inequality. Authors within this subfield either discuss the roots of water inequality, or mount a factual case supporting the existence of water inequality. The most influential school of thought within the water inequality topical field talks about the effects of social power on water access.

Social Power

Authors within the social power school of thought take different approaches to the issue of water inequality. In the context of the water crisis in the Mexico City metropolitan area, Castro (2004) explores the interrelation between access to urban water services and the exercise of citizenship rights. Castro argues that socioeconomic and political inequalities that exist independent of water inform access to urban water. Notably, Castro demonstrates that the “marketization” of water services—the process of opening water services to free market forces—is not the solution to the Mexico City water crisis since these neoliberal policies exacerbate “preexisting social conflicts concerning the resource”.

While Castro limits his analysis to

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Mexico City’s metropolitan area, the relationship he identifies between citizenship rights and water access may be generalizable to other water conflicts.

Swyngedouw (2004) attempts to discern the relationship between “empowerment and disempowerment and the flow of water” in Guayaquil, Ecuador. Swyngedouw argues that the distribution of water “is not merely a question of management technology, but rather… a question of social power.” Swyngedouw elaborates by explaining that those who are marginalized societally, are also frequently marginalized geographically—isolated on the peripheries of cities. This dual marginalization results in a water crisis for these populations as they are often excluded from the formal urban water systems and must rely on informal water providers.

Laurie and Crespo (2007) build upon the social and geographic exclusion model pioneered by Swyngedouw and apply it to La Paz-El Alto, Bolivia. Laurie analyses the private water concession in La Paz-El Alto to determine if it has lived up to its “pro-poor” mandate. Laurie and Crespo describe how social power inequalities led to geographic gerrymandering in El Alto, causing many poor communities to be left out of the formal city limits, and thus, outside of the water concession’s mandate. Laurie and Crespo also add the element of accountability to the water inequality school of thought, describing how water systems must be accountable to the poor if cities are to achieve water equality. While water inequality is an undercurrent in my project, this school of thought does not analyze actions taken in response to water issues, instead focusing on the causes of the issues themselves. Thus, my project will use the water inequality

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3 Swyngedouw.
school of thought of hydropolitics to understand the motivations behind the water movements in Bolivia and Ecuador.

Like Castro (2004), Swyngedouw (2004), and Laurie and Crespo (2007), Seemann (2016), identifies unequal power distributions as the cause of unequal water access. Seemann, however, shifts the area of focus from cities—the geographic location discussed by all the aforementioned authors—to water access in rural areas. Seemann challenges the popular idea that legal recognition of local water rights would reduce water inequality by asserting that such “formalization” of local water rights would not fix the underlying power asymmetries and the formalization process would be controlled by “the already powerful sector[s] in society.”5 While all the authors in the water inequality school of thought elucidate important power relations, all stop short of analyzing the social and political responses to these issues.

Gender

One of the more nuanced schools of thought in hydropolitics is that which links water politics and gender. In this field, no voice has been louder or more influential than Vivienne Bennett. Bennett (1996) explains that in Latin America, women have become “the managers of water” since their gendered domestic tasks require the frequent usage of water.6 Furthermore, women also comprise a large portion of the participants in water-related protests since they are structurally excluded from traditional party politics.7 Bennett et al. (2005) change the focus of gender and water politics away from the home by arguing that women in Latin America also

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7 Bennett.
interact with water as irrigators, planters, and community planners, but that their voices are ignored in these circles. This area of hydropolitics illuminates some of the sociopolitical interactions that lead to the development of water movements. It is important to acknowledge, and be cognizant of, the gendered dimensions of the urban water scape in Latin America, since this aspect of hydropolitics is reproduced in the water movements discussed in this paper.

Meta-Analysis

Demonstrating the varied nature of the hydropolitics literature, several authors have taken a “meta” approach to the discipline, by analyzing the idea of water and water politics itself, instead of manifestations of water politics, as the previously mentioned authors have done. Within the meta approach to hydropolitics, there are two primary schools of thought: 1) ontology and; 2) frameworks. Yates et al. (2017) belong to the ontological school of thought. They identify the dissonance between different cultural ontologies of water as a site of political contest. Yates et al. determine that most water policies reinforce the hegemonic water ontology that views water as a material resource, silencing water ontologies that do not believe water can be commodified. This neglect/repression of non-hegemonic water ontologies creates political friction because people are forced to comply with water systems that do not reflect their ontological perspectives. Instead of exploring how different ontologies cause political conflicts, Simmons (2016) discusses how shared ontologies of water can catalyze water movements. In the context of the Cochabamba water war, Simmons argues that the community’s shared ontology of water

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8 Vivienne Bennett, Sonia Dávila-Poblete, and Nieves Rico, Opposing Currents: The Politics of Water and Gender in Latin America (University of Pittsburgh Pre, 2005).
acted as a focal point around which the protests formed. The ontological school of thought is crucial to any larger discussion of water politics. The different meanings attached to water impact how water policies are created, how water conflicts are instigated, and how water movements are started; three pivotal parts of this research project.

The second school of thought within the meta-analysis of hydropolitics seeks to establish frameworks by which hydropolitics can be understood. Meissner (2014) introduces a five-point framework for analyzing hydropolitical conflicts. He asserts that by examining the geographic location, the relevant actors, the history of the conflict, the relative power of the actors, and the type of interaction between the actors, one can understand water conflicts. Although this framework was crafted for natural water systems like river basins, it can be applied to urban water systems as well. In her senior thesis at Haverford College, Garcha (2013) created a framework for determining how water policies are formed, emphasizing the inter-state dynamic of water policy creation. This framework was also developed for natural water system, and its applicability to urban water provision is limited.

The hydropolitics literature is instrumental in revealing structures that impact water. Yet, it stops short of examining the social and political responses to these structures. My thesis uses the dynamics uncovered by the hydropolitics literature to explain responses to water issues.

Neoliberalism

Due to the transformative and divisive influence it has had on world politics, economics, and society, neoliberalism is surrounded by a hotly contested literature. Yet, authors in this literature

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frequently do not provide an explicit definition of neoliberalism in their works. This complicates the endeavor of understanding the effects of neoliberalism since the term itself is difficult to pin down. Hey and Klack (1999) give an overarching definition that sums of the major components of neoliberalism: “Economic policies that combine orthodox stabilization measures with a long-term commitment to restructuring the economy by reducing the role of the state and subjecting economic activity to market forces.” This definition builds on the conceptual framework established by Conaghan et al. (1990). The polarization of this topic has largely eliminated true nuance to the literature and forced authors into the dichotomous choice between the “anti-neoliberalism” camp and the “pro-neoliberalism” camp.

Against Neoliberalism

Both Hey and Klack and Conaghan et al. perform historical analyses of neoliberalism, specifically in the Latin American context. Hey and Klack (1999) demonstrate that four consecutive Ecuadorian presidential regimes between 1981-1996 implemented neoliberal policies, despite each regime’s purported anti-neoliberal ideology. Hey and Klack fall firmly into the anti-neoliberal coalition of authors, as they describe the persistence of neoliberalism in Ecuador despite the “considerable negative social and economic effects” of neoliberalism. Conaghan et al. (1990) describes how the business sector in many Latin American countries supported the initial wave of neoliberalism. But, after the policies were implemented, the tide

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14 Hey and Klak.
turned against neoliberalism and entrepreneurs soured on the idea.\textsuperscript{15} Like Hey and Klack, Conaghan et al. are opposed to neoliberalism, arguing that it has repressed entrepreneurship and stymied civil society actors.\textsuperscript{16}

Other authors, like McDonald (2016), talk about the negative aspects of neoliberalism by discussing its alternative, the so-called “pro-public” movement. McDonald (2016) describes how the “ills of privatization” have created a strong opposition to neoliberalism. This has resulted in a trend toward the public provision of services.\textsuperscript{17} McDonald is especially relevant for this thesis since he identifies the water justice movement as the most “successful pro-public movement to date.”\textsuperscript{18} Neoliberal policies lie at the core of this thesis. These authors demonstrate how to analyze the social, political, and economic effects of neoliberalism. My research will build upon this analysis to determine how social movements resist neoliberalism.

\textit{Supporting Neoliberalism}

Strong proponents of neoliberalism represent the dominant narrative in Western economic ideology over the last thirty years. Neoliberalism has been the hegemonic development strategy since the 1980s, and authors like Bortolotti and Siniscalco (2007) provide economic justification for such hegemony. Bortolotti and Siniscalco (2007) claim that “a large privatization [program] based on issues on public equity markets is a spur to modernizing a nation’s corporate governance system.”\textsuperscript{19} Furthermore, they claim that this conclusion is “widely accepted.”\textsuperscript{20} Yet,

\begin{thebibliography}{99}
\bibitem{16}Conaghan, Malloy, and Abugattas.
\bibitem{17}David McDonald, ed., \textit{Making Public in a Privatized World: The Struggle for Essential Services} (Zed Books, 2016).
\bibitem{18}McDonald.
\bibitem{19}Bernardo Bortolotti, \textit{The Challenges of Privatization} (Oxford University Press, 2004).
\bibitem{20}Bortolotti.
\end{thebibliography}
their article ignores political and social influences on privatization programs, such as public opinion or poor political regulation, isolating their statistical models to purely economic data. Glade (1991) discusses the market conditions and reforms needed for public enterprises to be privatized in Latin America, but also fails to account for the social elements that influence success. Boeker (1993) follows the pattern established by Glade (1991) and ignores social considerations in his support of neoliberalism. He claims that the effective implementation of these policies is predicated on the amount of foreign involvement in the projects. While Boeker factors in the political risks involved in neoliberalization, he is silent on the social dimensions.

There are, however, authors that support neoliberalism that include social and political concerns. Chong (2008) asserts that privatization in Latin America has resulted in an increase in the general welfare of the region. Although he does address the social conditions caused by neoliberal policies, Chong gives no weight to those that voice opposition to neoliberalism, stating that they are influenced by misconceptions, instead of relying on “rigorous empirical analysis,” which to him, incorporates only statistical information on water provision. The aforementioned authors focus on justifying neoliberal policies by examining statistical data. They leave room for projects, like my own, that analyze how movements have arisen to counter neoliberalism.

Intersection: Water Privatization

At this point, the question could be asked: “why are the literatures on hydropolitics and neoliberalism relevant for a project on social movements and constitutional implementation?” The answer lies in part in the distinct literatures of hydropolitics and neoliberalism—as discussed above—but also in their main area of overlap: water privatization (see appendix 2). Privatization is one of the most pronounced neoliberal techniques, and its application to water services is one of the main focuses of this research project. While the literature on water privatization draws largely on the hydropolitics and neoliberalism literatures, as could be expected, the salience of water privatization in Latin America has caused this subject to develop its own set of authors. Notably, however, the arguments developed within this new literature are couched in the terms, conditions, and contexts of hydropolitics and neoliberalism.

Against Privatization

As the debate over water privatization has grown in international prominence, so too has the literature around it. Like the neoliberalism literature, authors in the water privatization literature can be grouped into two main camps: those that oppose water privatization and those that support it. Budds and McGranahan (2003) oppose water privatization. In a nuanced and intriguing argument, they claim that neither privately nor publicly run water services are well adapted to serving poor, socially excluded, residents.24 Despite their ambivalence toward public utilities, Budds and McGranahan’s opinion on water privatization is clear: “there is no justification for international agencies and agreements to actively promote greater private sector

participation [in water provision] on the grounds that it can significantly reduce deficiencies in water and sanitation services.”25

Prasad (2006) takes a long-term approach to the water privatization debate, looking at a 15-year period. Prasad concludes that most case studies on the effects of water privatization on a water system find that water prices increased after the water privatization and that “raising water prices increases inequality.”26 One of Prasad’s more important contributions is his discussion of the relationship between social conditions and water privatization. This analysis helps fill in the gap left by the literature on neoliberalism that ignored the social factors that influence economic policy. Prasad finds that “for any policy to be successful, social, economic and political dimensions all need to be taken into account… there are many examples of how privatization has failed for reasons related to social governance.”27 The social factors that influence water privatization is a central theme in this research paper and Prasad provides support for that analytical lens.

Supporting Privatization

Authors like Glade (1991) support privatization. Glade declares that market competition allows for the private sector to outperform governments in the provision of some services, like water.28 Bellettini et al. (2006) argue that the empirically poor performance of the private water concession in Guayaquil, Ecuador is caused by other external factors, not the private nature of the provision. Bellettini et. al and Chong (2008) both support the privatization of water, claiming

25 Budds and McGranahan.
27 Prasad.
28 Glade, Privatization of Public Enterprises in Latin America.
that it increases water access. While the empirical evidence to support this claim is ambiguous, this represents the perspective trumpeted by the United States, the World Bank, the International Monetary Fund (IMF), and the Interamerican Development Bank (the sponsor of Chong and Bellettini et al.’s research) as part of the Washington Consensus economic package. While significant literature exists on water privatization, this literature is centered on the social, economic, and political impacts of the privatization. It does not address the government’s or civil societies’ response to these impacts.

**Governmental Functions**

This literature highlights how governments create and implement policy and how governments interact with their citizens. It is divided into three schools of thought: 1) democratic governance; 2) implementation and; 3) meta-analysis.

**Democratic Governance**

Steffek (2010) and Scholte (2011) are two titans in the democratic governance school of thought. Both authors examine international governance bodies, like the United Nations and World Bank, to determine how these organization can become more democratic. They both try to establish models that solve the “core democratic deficit” they perceive in these international organizations. Steffek claims that international governance bodies have adopted a “management definition of accountability,” that focuses on the results and deliverables of the bodies, instead of being truly accountable to the people. Like Steffek (2010), Scholte (2011)

30 Steffek.
examines the accountability of international organizations. Scholte establishes a four-part framework for creating accountability. According to him, the prongs of transparency, consultation, evaluation, and correction must be met for a governance body to be accountable to its members. While neither author discusses national level governments, their comments can be scaled down to explain national governments. The same “democratic deficit” has existed, in varying degrees, in Ecuador and Bolivia since the start of democratic governance in 1979 and 1982, respectively. This school of thought aids in the exploration of the disparity between public opinion and governmental action that characterizes the outcome of the Ecuadorian constitution. Yet, it does not explain how the public responds to the democratic deficit, or how that response can vary based on social group and governmental policy.

Meta-Analysis

Like the meta-analysis of hydropolitics, the meta-analysis of governmental function does not address specific governmental structures or decisions; rather, it focuses on the idea of government or policy creation itself. For example, Verkuil (2007) describes the theoretical implications for the privatization of governmental functions. Verkuil argues that the privatization of state functions undermines the sovereignty of a country.31 Sabatier and Weible (2014) examine not the idea of a sovereign government, but the idea of policy. They endeavor to create a schematic for the creation of governmental policy (see appendix 3).32 This model is a heuristic: it is never followed exactly. It is an analytical tool, not an epistemological argument about policy creation. Therefore, its application to specific policies enables one to better understand the

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creation of said policy and it can be modified to meet the unique circumstances of each policy without losing its validity. The development of the Ecuadorian and Bolivian constitutional bans on water privatization highlights this. While in the original model, legitimization occurs between the enactment and implementation stages (see appendix 3), legitimization actually occurred prior to enactment in Ecuador and Bolivia due to the popular referendums that created the constitutional bans (see appendix 4). While I tweaked Sabatier and Weible’s schematic to conform with the reality in Bolivia and Ecuador, it still provides an invaluable lens through which to view policy creation in these countries.

Implementation

For the purposes of this project, the implementation school of thought is divided into two primary camps: top-down and bottom-up. Werts and Brewer (2015) develop a strong model for bottom-up implementation. In the context of education policy in the United States, Werts and Brewer emphasize the ability of local actors to dictate policy implementation. They write: “local actors’ experiences moderate and appropriate policy” during the implementation of new policies.33 Werts and Brewer also pioneer a new theoretical framework within the policy implementation school of thought, described in their work as “phenomenology.” This framework “privileges the local actor’s own representation of their lived experiences.”34 This approach differs from top-down in its emphasis on local level actors, instead of prioritizing the actual policy decision.

34 Werts and Brewer.
The top-down model for implementation was first flushed out by Van Meter and Van Horn (1975) who created a six-point model that links policy creation with a successful implementation outcome. Later, authors like Sabatier expanded upon this model, resulting in a 17-point model. These top-down arguments emphasize the type of policy created and the directives that accompany these policies. This is different than the bottom-up approach. For example, Van Meter might argue that the implementation of a constitutional ban is dictated by factors such as interagency communication, resources, and clear governmental objectives, while Werts and Brewer might claim that the implementation of the ban would depend on the local level bureaucracy tasked with carrying it out.

The implementation school of thought has a complicated relationship with this project. On one hand, this paper explores the effective implementation of Bolivia’s constitutional ban on water privatization. On the other, I contend that Ecuador’s ban never even progressed to the implementation phase of Sabatier’s heuristic. Thus, I am not exploring the failed implementation of Ecuador’s constitutional ban; I am analyzing why there was never an attempt to implement the ban. Yet, the top-down model for implementation still aids my research since I argue that it was top-down decision not to progress to the implementation stage.

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Intersection: Water Governance

As discussed earlier, the intersection between the hydropolitics literature and the neoliberalism literature is water privatization. If one adds the governmental function literature to the equation, the area of overlap between all three is water governance (see appendix 5). According to the United Nations Development Program (UNDP), water governance “refers to the political, social, economic and administrative systems in place that influence water’s use and management.”37 The hydropolitics literature describes the social and political aspects of this definition, neoliberalism contributes the economic dimension, and governmental functions adds the structural component.

Much of the water governance literature focuses on how water is regulated. This literature is particularly well developed for Latin American water governance. Perreault (2005) describes the state “restructuring” in Bolivia that occurred as a result of neoliberal policies in the 1980 and 1990s. Perreault explains that structural changes, like decentralization, impacted water governance by imbuing new local actors with rights and responsibilities and by marketizing water governance.38 The concept of state restructuring illuminates how neoliberal economic policies can influence water governance. Nickson and Vargas (2002) also examine water governance in Bolivia, this time highlighting the inability of the Bolivian government to effectively regulate water systems after neoliberal reforms. They also establish a framework for how to properly regulate water systems, combining economic, social, and political factors into a

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comprehensive water governance plan. Harris and Roa-Garcia (2013) examine water governance as established by the national constitutions in several Latin American countries, including Ecuador and Bolivia. Harris and Roa-Garcia describe how water governance in these countries has changed between 1990-2012, including how the new constitutions in Ecuador and Bolivia have not lived up to their promises. Nevertheless, they argue persuasively that the new constitutions should be seen as popular challenges to the neoliberal water governance of the 1990s.

While the literature on water governance in Latin America is illustrative, and a key component of my project, it rarely goes beyond description. Most of the authors focus on explaining current water governance regimes. My project seeks to ask why the water governance regimes in Ecuador and Bolivia developed as they did, not just a description of what the regimes are.

Social Movements

The social movement literature is both wide in its breadth of topic and deep in the number of authors committed to exploring the subject. While recent social movements—including the international anti-gun violence and #MeToo movements—have propelled social movements into the public spotlight, academic research has focused on social movements for decades. For this project, however, I limit my discussion of the social movement literature to the following schools of thought: 1) indigenous movements; 2) grassroots movements and; 3) theories on formation.

40 Harris and Roa-Garcia, “Recent Waves of Water Governance.”
Indigenous Movements

The indigenous social movement school of thought is both descriptive and analytical. Clark and Becker (2007) provide a detailed description of indigenous movements in Ecuador and Bolivia. They start by describing the relationship between indigenous movements and the formal political processes in each country. Notably, the indigenous movement in Bolivia is far more integrated into party politics than the movement in Ecuador is. Clark and Becker also postulate answers for this disparity in formal political integration, attributing some causality to 20th century decentralization policies. Finally, they outline the dynamic between neoliberal reforms and indigenous movements in both countries. While they describe the different levels of political integration of the Ecuadorian and Bolivian indigenous movements, and give possible explanations for this disparity, they do not discuss the ramifications of this difference. My project goes one step further than Clark and Becker and discusses how this difference in integration has impacted the indigenous agenda.

In 2009, Colloredo-Mansfeld departed from Clark and Becker’s largely descriptive format and attempted to decipher the foundations of the Ecuadorian indigenous movement. Specifically, he argues against the widely-held belief that indigenous movements are solely identity driven, claiming instead that indigenous communities have used the apparatuses of local governments to focus community action—resulting in indigenous social movements. This changes the impetus for indigenous social movements from identity-driven concerns to local interests. Colloredo-Mansfeld develops the concept of “vernacular state-craft,” a form of politics that is developed though replicable local actions and the creation of local political tools. Colloredo-Mansfeld’s

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42 Rudolf Josef Colloredo-Mansfeld, Fighting like a Community (University of Chicago Press, 2009).
theory breaks down, however, when forced to reckon with urban indigenous movements that do not interact with community governmental structures. The author acknowledges this writing, “urban indigenous peoples fit awkwardly into this scheme.” Yet, this caveat to his theory limits its ability to explain large-scale indigenous movements, like those that occurred in Ecuador and Bolivia.

Grassroots Movements

While indigenous movements are frequently grassroots, and while indigenous actors frequently participate in other grassroots movements, it is useful to distinguish between the two schools of thought. Doing so enables one to disentangle the theories that drive each type of movement while acknowledging their overlap. Kaufman and Dilla Alfonso (1997) outline the basic building blocks for the study of grassroots movements: why community action is worth studying, what defines “participation” in a grassroots movement, and how to conceptualize the goals of a grassroots movement. Like Colloredo-Mansfield, their definition of a community—a geographic location—is extremely narrow and ignores communities formed around non-geographic spaces (e.g. ethnic, religious, political, or cyber communities). Importantly, Kaufman and Dilla Alfonso explore a crucial facet of grassroots movements; decentralization. By definition, grassroots movements are not centralized organizations. Yet, understanding how decentralization can be used to resist or counter hegemonic structural systems—the example Kaufman and Dilla Alfonso use is neoliberalism—is vital to understanding the capacities of the

43 Colloredo-Mansfeld.
movements. My thesis replicates this focus on decentralization by identifying the decentralization process as a key determinant in the Bolivian social movements successful implementation of their constitutional ban.

Writing a year before Kaufman and Dilla Alfonso, Albo (1996) explores the liminal period when grassroots movements transition to national level organizations. Albo uses the Bolivian indigenous movement to show how, through integration into formal political systems, the grassroots indigenous movement started to become a player in national politics. While Albo outlines the significant barriers faced by the indigenous movement in becoming a national force, he describes the steps they have taken in that direction. With the benefit of historical hindsight, Albo appears prophetic; after 1996, the Bolivian indigenous movement only grew in prominence, far exceeding the “municipal level” of control they had achieved when Albo described their progress.

**Formation Theories**

Three theories have been proposed to explain social movements in Latin America; 1) resource mobilization; 2) New Social Movement theory and; 3) a synthetic approach. Resource mobilization theory grew out of the discontent many theorists felt with the traditional social movement paradigm that stressed the tactics of mobilization and collective identity. In the 1970s, a group of authors took a different angle on the issue of social movement formation, highlighting the political and economic resources available to different groups as a key

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45 Kaufman and Dilla Alfonso.
determinant in the rise of a social movement. McCarthy and Zald (1977) advance the resource mobilization theory, claiming that the “variety and sources of resources; the relationship of social movements to the media, authorities, and other parties; and the interaction among movement organizations” all play a role in the creation of a social movement.\textsuperscript{48} Writing in the Latin American context, Escobar and Alvarez (1992), also support resource mobilization theory. They push back against the identity driven “new social movement theory” by asserting that identities are constructed through the process of articulation; identity is not an \textit{a priori} phenomenon, it is built in relation to others. Furthermore, Escobar and Alvarez claim that it is “in the interface of identity and articulation [that] one finds the manifold political strategies and tactics that more clearly account for a ‘movement.’”\textsuperscript{49}

Yet, many scholars insist that the social movements are not predicated on the political strategies of the participants—as resource mobilization theory states—but on the development of common interests, identities, and goals. These authors have been called the New Social Movement theorists. Buechler (1995) identifies three tenets most New Social Movement scholars agree on: 1) social movements engage in symbolic action in the cultural sphere as a form of collective action; 2) actors in social movements seek the advancement of their autonomy and rights to self-determination instead of influence or power and; 3) social movements “emphasize the role of much contemporary collective action, as opposed to conflicts over material resources.”\textsuperscript{50} In essence, New Social Movement theory is “concerned with cultural issues, symbolic production, normative contestation, and social integration,” not structural barriers or

\textsuperscript{48} McCarthy and Zald.  
available resources.\textsuperscript{51} Whereas the resource mobilization theory disregards the cultural and personal factors that contribute to a social movement, New Social Movement theory trivializes the importance of economic, strategic, and material factors for social movements.

A third school of thought attempts to bridge the gap between the resource mobilization and New Social Movement theories by proposing a hybrid explanation for social movements. This school does not adhere to one single synthetic model, but all attempt to combine resource mobilization and New Social Movement theories. Eduardo Canel (1992), for example, determines that alone neither resource mobilization theory nor New Social Movement theory adequately explain social movements. He writes that any analysis of social movements must “account for structural constraints and the range of possibilities available to [social movements], but...[also] how the actors interact with their environment, manage resources, and devise strategies in order to pursue their goals.”\textsuperscript{52} This analysis incorporates both the resource mobilization’s emphasis on resources, organizational dynamics, and political processes, and New Social Movement’s focus on the expressive nature of social movements. Canel divides these factors into two sets: macro-processes and micro-processes. The macro-processes can be described better by New Social Movement theory, while the micro-processes by resource management theory. According to Canel, it is only by combining the macro and micro that one gets the full picture of a social movement. While these theories explain how social movements are created, they do not explain the causes or the conditions that give rise to social movements, nor how these social movements interact with governance structures.

\textsuperscript{51} Escobar and Alvarez, \textit{The Making of Social Movements in Latin America}.
\textsuperscript{52} Escobar and Alvarez.
Intersection: Social Movements Created in Response to Water Governance

The overlap between the social movement literature and the water governance literature details the formation, actions, and achievements of social movements created in response to water governance (see appendix 6). Latin American history and current events are replete with examples of such movements and the literature surrounding them is accordingly well-developed. Incidentally, many authors focus on the Bolivian Water War of 2000. This episode is part of one of the largest, longest, and most successful social movements in Latin American history. Thus, I pay special attention to how this movement was organized and why it started.

Otto and Böhm (2006) examine the organizational structure of the social movement in Cochabamba, Bolivia during the first Water War. They find that the movement employed both horizontal and vertical organizational models. Doing so enabled the movement to channel the disparate voices, grievances, and demands of the participants into a single unified message. Once united, the movement created a discourse of “the people” which challenged the discourse of “neo-liberal privatization and management” that the government propagated. Spronk (2007) tackles another organizational aspect of the first Water War: why the movement was led by territorially-based organizations, not public-sector unions. Arguing convincingly that decades of neoliberal reforms had undermined the ability of unions to instigate mass mobilizations, Spronk states that the protests in Bolivia “must be understood within the context of neoliberal economic restructuring.” While both these examples concentrate on one case study, their findings are applicable to other movements in Bolivia and beyond because a combined horizontal and vertical

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organizational structure could be replicated in other movements and the effects of neoliberal reforms are felt in most Latin American countries. The issue with this school of thought is its limited analytical window. Otto and Böhm discuss the social movement’s success in Cochabamba but do not address its wider societal impact. Spronk attempts to chart the influence of the water wars on “the Bolivian left.” But, writing in 2006, Spronk had only gotten a taste of Evo Morales’ changes in water governance. I will apply Spronk’s framework to Bolivia for the years 1998-2010, thus capturing the true effects of these movements on Bolivia’s water governance landscape.

Terhorst et al. (2013) take a wider perspective on social movements and water governance. They examine the ability of social movements to effect water sector reforms in Uruguay, Bolivia, and Ecuador. They determine that a “radical politics of mass mobilization is a prerequisite for advancing the struggle for social change in Latin America.” Yet, they also conclude that despite the inroads into formal politics that social movements have made, water governance in Latin America remains stuck in the neoliberal mode of the 1980s. While Terhorst et al.’s contribution to the literature on social movements and water governance is notable, they leave significant gaps in their research. Namely, they identify a “contradiction between philosophy and action” in Latin American water governance, without clarifying the relationship between social movements and this contradiction. My project will fill that gap by exploring how social movements have impacted the dissonance between policy enactment and policy outcomes in Ecuador and Bolivia.

Case Selection

The difference in outcomes resulting from the Ecuadorian and Bolivian constitutions ties together all the previously mentioned themes. Not only was the creation of each constitution spurred by social movements, but the constitutions themselves attempt to dramatically change the water governance regimes in each country by prohibiting the privatization of water. The comparison between Ecuador and Bolivia is fruitful because the two countries share several cultural and historical similarities that help control for non-operative variables. To start, both countries are part of the Andean Community—a trade union including Ecuador, Bolivia, Peru, and Colombia—and have similar geographic characteristics.\(^{56}\) Furthermore, going back to the 1980s, both Ecuador and Bolivia became democratic republics within 3 years of each other, in 1979 and 1982 respectively (although Bolivia held democratic elections as early as 1978).\(^{57}\) Then, in the late 1980s and 1990s, the Washington Consensus, a neoliberal economic package pushed by the United States, the World Bank, and the IMF, heavily influenced both countries.\(^{58}\) This means that both countries started their privatization projects at similar times. Moving to the 21st century, their relevant presidents, Evo Morales and Rafael Correa, were elected within a year of each other (2006 and 2007).\(^{59}\) Perhaps most importantly, Morales and Correa passed new national constitutions, again, within a year of each other (2009 and 2008).\(^{60}\) The policies mandated by the new constitutions are a key focus of my thesis. Finally, while the demographics


\(^{58}\) Conaghan, Malloy, and Abogattas, “Business and the ‘Boys.’”


\(^{60}\) Romero, “Bolivians Ratify New Constitution.”
of each country are slightly different, they are among the closest of any two Latin American countries.\textsuperscript{61} Thus, I control for the key variables of time, culture, government type, and demographics through this case selection.

Hypothesis

This paper draws on the literatures of hydropolitics, neoliberalism, water privatization, governmental function, water governance, social movements, and social movements created in response to water governance. When examined in their totalities, a gap in the literary landscape is revealed: how social movements impact policy outcomes. This is the niche my thesis will occupy.

My thesis explains why the constitutional bans on water privatization in Ecuador and Bolivia have achieved such different outcomes. I use a thick comparative analysis to do this. This approach emphasizes the lived experiences of those in Ecuador and Bolivia—relayed to me via personally conducted interviews and other researchers’ ethnographies of the region—the historical, political, and economic context of each country, and academic theories promulgated by the aforementioned authors. Using these sources to create a conceptual framework, I argue that different forms of neoliberal economic reforms—including changes to water governance—in Ecuador and Bolivia in the 1980s created different types of water-centered social movements. While the social movement in Bolivia integrated itself into the formal party politics of the nation, the social movement in Ecuador has remained largely an outside lobbyist. The Bolivian movements’ political integration allowed it to influence public policy and implement the constitutional ban on water privatization; whereas, in Ecuador, the social movements could not

influence public policy, nor hold Correa accountable for his policy actions, and the constitutional ban has not been implemented. By focusing on the Ecuadorian and Bolivian constitutional bans on water privatization, my thesis addresses the gap in the literature around the ability of social movements to impact policy outcomes.
Chapter III: Neoliberalism in Latin America

“There is now a very wide consensus in Washington that export-led growth is the only kind of growth Latin America stands any chance of achieving in the coming decade”¹
-Williamson, 1990

Economic Reforms

In the early 1980s, neoliberalism swept into Latin America. By the end of the decade it had become the dominant ideology in the region, replacing the import-substituting industrialization economic model that was popular from 1940-1970.² Once established, neoliberalism’s place atop Latin America’s economic and political mantle was only challenged in the early 21st century. As an ideology, neoliberalism—sometimes also called neoclassical liberalism—is a political and economic belief that the market is “morally and practically superior to government and to other forms of political control.”³ Neoliberal was quickly adopted throughout Latin America and in other parts of the world. Between 1980 and 1995, nearly every Latin American country initiated neoliberal reforms.⁴

These reforms occurred during a time of intense economic turmoil in most of Latin America. The drivers of the wide-spread economic crisis were “plummeting prices in the international market for key exports, decreased investment, and growing financial burdens imposed by… international debt.”⁵ Chief among these factors was the burden of international debt. In 1970, Latin America’s total international debt totaled only $29 billion dollars. Yet, by

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⁵ Conaghan, Malloy, and Abugattas, “Business and the ‘Boys.’”
1982, that number had ballooned to over $325 billion dollars. By 1982 it was clear that most Latin American countries could no longer service their debt. The lending banks responded by cutting the credit available to the entire region, a move that only acerbated the region’s inability to pay off its debt. This situation sparked what is now called the “Latin American Debt Crisis,” or—as it is called in Ecuador, Peru, and Bolivia—simply, *la crisis*.

Faced with an entire region on the brink of defaulting on its loans, the United States, the IMF, and the World Bank responded with an economic program now called the Washington Consensus. As this term implies, the Washington Consensus was a set of economic prescriptions pushed by the United States, the IMF, and the World Bank designed to drastically reconfigure the national economies in much of the Global South, including Latin America. “Washington” became a catchall phrase signifying the United States, the IMF, the World Bank, and other international organizations pushing neoliberal reforms. In 1990, John Williamson, the economist who coined the term “Washington Consensus,” explained Washington’s demand: “ever since the Third World debt crisis broke in August 1982, debtor countries have been called on to ‘adjust’… as their contribution to resolving the debt problem.” These ‘adjustments’ took different forms throughout Latin America. Yet, they all followed the same basic neoliberal tenets: reduced role of the state in the domestic economies, liberalization of the economies, restructuring of sovereign
debt, and privatization of national industries.\textsuperscript{10} This is not to imply that “Washington” is solely responsible for the adoption of neoliberal reforms in Latin America. Latin American leaders possessed agency over their economies, even though they felt pressure from Washington. Although opponents of neoliberalism in Latin America struggled to outline concrete alternatives, it is important to acknowledge that Latin American policymakers consciously chose neoliberalism.\textsuperscript{11}

These principles refashioned the relationship between Latin American countries and the international community. The import substituting industrialization policies of the 1940s-1970s had been “inward-looking,” focused on developing each country’s domestic economies through protective tariffs, exchange controls, special preferences for domestic industries, and in many Latin American countries, nationalization of industries.\textsuperscript{12} These policies limited international trade, curtailed the amount of FDI Latin American economies accepted from TNCs, and kept key industries under national control. Under the helm of neoliberal leaders, all this changed. In 1990, John Williamson, remarked: “remarkable progress…has been made in liberalizing Latin American import regimes over the course of the last decade.”\textsuperscript{13} Williamson continued to describe Latin America’s “welcoming attitude” toward FDI, and the “surprisingly broad” support for privatization of industries.\textsuperscript{14} By the start of the 21\textsuperscript{st} century, most Latin American leaders had reshaped their economies in the neoliberal image.

\textsuperscript{10} Williamson, \textit{The Progress of Policy Reform in Latin America}.
\textsuperscript{11} Conaghan, Malloy, and Abogattas, “Business and the ‘Boys.’”
\textsuperscript{12} Baer, “Import Substitution and Industrialization in Latin America.”
\textsuperscript{13} Williamson, \textit{The Progress of Policy Reform in Latin America}.
\textsuperscript{14} Williamson.
Political Implications

In addition to their economic implications, the structural adjustments mandated by the United States, IMF, and World Bank had political ramifications in Latin America as well. While the 1990s saw a wave of anti-neoliberal backlash, the 1980s saw neoliberalism triumph politically. Presidents throughout the region ran, and won, on neoliberal economic platforms. In the newly democratic countries of Bolivia and Ecuador, President Estenssoro (1985-1988) and President Hurtado (1981-1984) set their respective countries on neoliberal paths. Overall, more than 20 Latin American countries elected presidents during the 1980/1990s that espoused neoliberal principles, including Brazil, Mexico, Chile, Argentina, and Venezuela. Upon election, these presidents encountered the political reality of the Washington Consensus; as its name would suggest, Washington dictated the Washington Consensus. Rudiger Dornbusch, an MIT economist, explained in 1990: “Today no Latin American government undertakes significant economic change without checking first in Washington.” Washington’s control over Latin American economic policy, coupled with the United States’ history of military intervention in the region, contributed to the rise of anti-American and anti-IMF sentiment in Latin America (see appendix 7 and 8 for illustrations of these feelings).

Articulating Alternatives

The rise of neoliberalism in Latin America did more than change the political and economic landscape of the region; it changed the political and economic narrative as well. In

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15 Conaghan, Malloy, and Abugattas, “Business and the ‘Boys.’”
17 Hey and Klak, “From Protectionism towards Neoliberalism.”
many, if not most, Latin American countries neoliberalism became the hegemonic political and economic ideology. Bob Jessop’s distinction between domination and hegemony is useful in understanding neoliberalism’s hegemonic status in Latin America. According to Jessop, a belief is dominant when it can impose its desires on non-believers “regardless of their wishes and/or at their expense.”¹⁸ This definition acknowledges a discourse among multiple different beliefs operating under different frameworks. A belief is hegemonic, however, when it monopolizes that discourse. Thus, when a belief is hegemonic, different beliefs (and their different frameworks) are eliminated, while different ideas (under a homogenous framework) are promoted.

Neoliberalism’s hegemonic status in Latin America does not mean that there was no disagreement or discord over certain policies, but rather that all these discussions occurred within the accepted neoliberal framework.¹⁹ Neoliberalism’s hegemonic status also shifted the terms of the policy debate in Latin America. Neoliberal policies were not just policy options; they were the only options. As Hey and Klack argued in 1999: “We are no longer fighting against the principles of neoliberalism. We try instead to attenuate its cruelest effects.”²⁰ The policy debate, therefore, was not about the merits of neoliberalism, but about the merits of one neoliberal policy versus another neoliberal policy.

This dynamic seeped into the water policy debate in many Latin American countries. The Washington Consensus included provisions for water governance, as the United States, the IMF, and the World Bank pushed for the privatization of water services throughout Latin America.²¹

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¹⁹ Jessop.
²⁰ Hey and Klak, “From Protectionism towards Neoliberalism.”
Gradually, neoliberal water governance became hegemonic “to the degree that there [was] a sense that ‘there are no alternatives.’” Neoliberal leaders dismissed the alternatives employed prior to neoliberalism. Prior to the 1980s in Bolivia, regional offices of the central government were responsible for water services. Likewise in Ecuador, the state possessed absolute control over, and sole responsibility for, water services before neoliberalism. Authors like Harris and Roa-Garcia (2013) recognized this phenomena and the limitations that hegemonic neoliberal water governance imposed on policy debates. They highlighted several key concerns, such as institutional capacity, the form and function of participation frameworks, and ecological-focused water governance, that have been obfuscated by neoliberalism’s hegemony. Their list is a small sample of the water governance issues neoliberalism hides. Harris and Roa-Garcia’s could easily add the impact/existence of diverging water ontologies discussed by Yates (2017), the relationship between water governance and citizenship rights analyzed by Castro (2004), or Bennet’s (1996) discussion of gender and water governance, to their list. My thesis proposes concepts and beliefs outside the neoliberal mold, thereby contributing to the growing ‘post-neoliberal’ literature, the purpose of which is straightforward: articulating alternatives.

This paper discusses alternatives for the specific Ecuadorian and Bolivian brands of neoliberalism. As Harris and Roa-Garcia mention, while neoliberalism is an ideology that entails certain policy prescriptions, these policies took different forms in different Latin American countries. Thus, the notion of “variegation”— “neoliberalism is not the same everywhere”—

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22 Harris and Roa-García, “Recent Waves of Water Governance.”
24 Harris and Roa-García define neoliberal water governance as the “practices of marketization, commodification, privatization, as well as devolution and participatory governance” of water.
25 Harris and Roa-García, “Recent Waves of Water Governance.”
26 Harris and Roa-García.
must be included in a practical (as opposed to conceptual) definition of neoliberalism. The neoliberal reforms in Ecuador and Bolivia shared overarching similarities, and were certainly guided by the same ideological principles, but adapted to the unique social, political, and economic circumstances in each country.

Bolivia

In the 1990s, many proponents of neoliberalism heralded Bolivia as the posterchild of neoliberal economic reforms. Williamson (1990) stated, “Bolivia is perhaps the most extreme case of adoption of the policies that constitute the ‘Washington Consensus…’” Part of what made Bolivia “a laboratory experiment of everything that Washington preaches” was the speed with which Bolivia implemented neoliberal reforms. Within three weeks of President Estenssoro’s election in 1985 he signed, via presidential decree, major neoliberal reforms. These reforms, and subsequent acts, liberalized Bolivia’s economy to make it a hospitable destination for international FDI, privatized key national industries, deregulated the banking industry, and freed interest rates. These reforms were heavily influenced by Harvard economist Jeffrey Sachs, who consulted with several members of President Estenssoro’s cabinet.

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27 Harris and Roa-Garcia.
29 Williamson.
31 Conaghan, Malloy, and Abugattas, “Business and the ‘Boys.’” Interestingly, despite the austere nature of Bolivia’s neoliberal reform, it was the first country to introduce social welfare policies to temper the shock of neoliberalism. Signed into law in December 1986, the Emergency Social Fund (ESF) was financed by the World Bank and was designed to alleviate the impact of the neoliberal adjustments on the Bolivian poor. This was the first time the World Bank had backed a program designed specifically to help poor people affected by structural adjustments. While Bolivia continued to adjust its economy throughout the 1990s, it stayed consistently loyal to the neoliberal project until the 21st century.
This rapid version of neoliberal reform took root in Bolivia, in part, because the economic crisis the country faced in the 1980s was severe even by Latin American standards. During this crisis the international community classified Bolivia as a “least-developed country,” more akin to sub-Saharan countries than its neighbors in Latin America. In 1985, the Bolivian economy was in shambles: growth rates were sharply negative, and inflation was 8,000%. This level of inflation is just as shocking as it appears. Four years after he was called upon to fix the inflation rate, Jeffrey Sachs wrote: “The Bolivian hyperinflation of 1984-85, for example, which was one of the most dramatic inflations in world history, is the only 20th century hyperinflation that did not result from the dislocations of war or revolution.” Accompanying the debilitating hyperinflation was a dramatic decrease in per capita GDP; between 1980 and 1985, per capita GDP shrank by more than 20%. This economic collapse set the stage for Bolivia becoming the “star pupil in the neoliberal school.”

Ecuador

If Bolivia’s neoliberal project was defined by its speed and orthodoxy, Ecuador’s was characterized by a gradual, adaptive approach. Ecuador did, however, start implementing neoliberal reforms before Bolivia. In 1982, President Hurtado responded to the fiscally challenging combination—especially for an economy dependent upon oil exports—of rising interest rates and low oil prices by instituting Washington Consensus policies like fiscal

33 Conaghan, Malloy, and Abugattas, “Business and the ‘Boys.’”
36 Goldstein, “Flexible Justice.”
constraints and devaluation of the national currency. These reforms increased in pace under the subsequent presidents, who liberalized the economy by freeing interest rates and reducing barriers to international trade and FDI. In 1985, Ecuador also refinanced its external debt, which at the time amounted to over seven billion dollars. These reforms intricately linked Ecuador to Washington, the IMF, and the World Bank. In fact, during the Borja administration (1988-1992) the IMF, the World Bank, and a representative from the United States each meet with the top Ecuadorian policymakers every three months, thereby exerting near constant pressure on Ecuadorian policy. The Ecuadorian government acknowledged, however begrudgingly, the ability of these entities to influence the Ecuadorian economy. Francisco Carrion Mena, foreign affairs advisor to President Borja, explained that the United States “does not have to send soldiers here. Instead the United States [achieves certain economic policies] through mechanisms of international credit. It is not always visible, but the United States [conditions loans] to Ecuador on the requirement that [Ecuador] implements this or that measure.” This influence also explains the continuity of neoliberalism in Ecuador, despite the election of several presidents that purportedly opposed the doctrine.

While Bolivia implemented many of its reforms within the first three weeks of President Estenssoro’s election, in Ecuador the aforementioned reforms took place over almost a decade. This gradual approach was intentional; key policymakers in Ecuador refused to pass “shock treatment” reforms like Bolivia had. In 1985, Carlos Emanuel, the head of Ecuador’s central

38 Williamson.
40 Hey and Klak, “From Protectionism towards Neoliberalism.”
41 Hey and Klak.
42 Hey and Klak.
43 Conaghan, Malloy, and Abugattas, “Business and the ‘Boys.’”
bank and one of the most influential economic policymakers in Ecuador, pronounced Ecuador’s commitment to slow adjustments: “we stress the word ‘gradual’ because we do not adhere to sudden and significant shifts in economic policies…as has happened in several Latin American countries that opted for a shock treatment of their economies.” Yet, Ecuador’s gradual approach belied the omnipresence of the neoliberal ideology in the country. Like in Bolivia, neoliberalism was hegemonic in Ecuador, it was just expressed in a more muted fashion. By 1990, Ecuadorian policymakers that did not support neoliberalism risked “castigation as someone ideologically removed from an ‘international wave of consensual knowledge.’” The neoliberal consensus faced its toughest challenge in 1999-2000 when Ecuador descended, once again, into economic crisis.

Like the Bolivian economic crisis of the 1980s, Ecuador’s economic collapse at the end of the 20th century was spurred by incredibly high levels of inflation. In late 1999, Ecuador’s inflation rate rose by over 30% every month. This, coupled with a banking crisis and an economic depression, put Ecuador on the cusp of an economic meltdown. To make matters worse, as the value of Ecuador’s national currency, the sucre, plummeted, so did the public’s trust in the currency. Thus, there was widespread capital flight out of the country, as Ecuadorians were desperate to convert their sucre into a more stable currency, usually the American dollar. Realizing the extent of the economic crisis, and the damage it had done to the sucre, President Mahuad announced, in January 2000, the official dollarization of the Ecuadorian economy.

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44 Conaghan, Malloy, and Abugattas.
45 Hey and Klak, “From Protectionism towards Neoliberalism.”
47 Beckerman and Solimano.
Official dollarization signifies a process in which a country imports a foreign currency, makes that currency legal tender, and reduces the domestic currency to a subsidiary role.\textsuperscript{48} In this case, Ecuador stopped production of the \textit{sucre} and made the American dollar the official currency of the country.\textsuperscript{49} Ecuador joined Panama as the only Latin American countries to officially dollarize, although El Salvador dollarized a few years later.\textsuperscript{50} Many opponents of dollarization point out that Ecuador’s central bank no longer has the capability to create its own monetary policy since the United States, not Ecuador, is responsible for adjusting the American dollar.\textsuperscript{51}

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\textsuperscript{49} Author’s note.
\textsuperscript{50} Bogetic, “Official Dollarization.”
Chapter IV: Privatization in Latin America

Although popular support in Latin American for neoliberal policies ran high during the 1980s and early 1990s—at one point, over 80% of people in Argentina and Peru favored the practice of privatization—by the start of the 21st century this early support had dissipated and was replaced with increasingly insistent and wide-spread opposition.\(^1\) In addition to blanket opposition to neoliberalism, Latin American opposition leaders directed much of their anger toward specific neoliberal policies, with privatization chief among their targets. Latin American opinion polls conducted in 2000 showed that a majority of Latin Americans opposed privatized industries.\(^2\) Interestingly, this fact did not change based on a respondent’s country of origin, age, sex, or socioeconomic status, demonstrating the ubiquity of anti-privatization sentiments.\(^3\) Furthermore, opposition rates were “higher in 2001 than in 2000, and higher in 2000 than in 1998,” highlighting Latin America’s increasingly negative opinion about privatization and the neoliberal project.\(^4\)

Privatization was such an integral part of neoliberal reforms that the privatization process itself gained hegemonic status in Latin America, along with neoliberalism. As Nicolas Ardito-Barletta et al., the General Director at the International Center for Economic Growth, stated in 1991: “Increasingly, the issue is no longer whether to privatize, or even what to privatize, but when and on what terms...” (original emphasis).\(^5\) So, when opinion turned on the Washington Consensus, and privatization lost its hegemonic status, privatization became a natural target for

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\(^1\) Boeker, *Latin America’s Turnaround*.
\(^2\) IBP Inc, *Latin America Economic Integration, Cooperation Investment and Business Guide - Strategic Information and Opportunities* (Lulu.com, 2016).
\(^3\) Inc.
\(^4\) Inc.
\(^5\) Glade, *Privatization of Public Enterprises in Latin America*. 

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those that had been silenced by the hegemonic discourse of neoliberalism. Latin Americans also opposed privatization on its own terms, not just because it is an expression of neoliberalism. This opposition was rooted in the poor performance of privatization projects. The privatization of water provision services in Cochabamba, Bolivia, El Alto, Bolivia, and Guayaquil, Ecuador are famous examples of privatization projects opponents have labeled failures.⁶

**Water Privatization**

“[Access to water] is part of a wider political struggle. It is about changing politics so that economies are not based on the extraction of resources”

- Manuela Picq

Although neoliberal governments privatized many different industries during the 1980s and 1990s—including gas, aviation, electricity, and telecommunications—studying water privatization is particularly compelling.⁷ Since asymmetric water rights often correlate with social, economic, and political power imbalances, water is a revealing lens through which to study the flow of social power in a country. This makes the study of water privatization a useful vehicle through which researchers can explore issues of gender, race, and class.⁸ This is especially true of urban water supplies, the main focus of privatization efforts.⁹

Implicit in the debate over public water provision versus private water provision is the question of how one conceptualizes water. There are two main camps in question: those that

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⁹ The classification of water as a utility is also interesting considering food, the only other resource as necessary for human life, is never considered a utility.
view water as an economic good and those that believe water is a human right that should not be subject to market pressures. The economic good camp states that since water is a “good that can demand a price in a market” it should be managed by market forces. They claim that “when the public sector provides scarce consumables for free (or at subsidized prices), people have an incentive to overuse them.” Thus, they argue for privatizing water services, claiming that this will reduce inefficiencies and increase value for the consumer. Furthermore, proponents of this model point out that increased competition to provide water services should depress water prices, making the resource more affordable for citizens. Neoliberalism’s far reach made these arguments persuasive to many governments throughout Latin America and the world. By 2002, the worldwide privatized water market was valued at over 45 billion American dollars.

On the other hand, human rights advocates resist the commodification of water. They state that the neoliberalization of water rights has privileged market logics over the human right to water, reducing water users to customers instead of citizens with an inherent right to water usage. Furthermore, many activists claim that privatized water systems fundamentally contradict the UN declaration that water must be affordable. Since privatized water providers are for-profit corporations, they have an economic incentive to maximize profits and fully recoup their distribution costs. Therefore, a non-subsidized private water supplier must sell the water for a profit, regardless of the poor’s ability to pay the cost. Water rights advocates insist this represents a violation of human rights for those unable to afford privatized water.

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10 Budds and McGranahan, “Are the Debates on Water Privatization Missing the Point?”
11 Budds and McGranahan.
This normative conflict over the nature of water, and the intersectionality of water with social power, made water privatization the least popular form of privatization in Latin America. A survey conducted in 1998 by *Wall Street Journal Americas* reported that 61% of people believed in government control of water distribution, compared with only 31% for aviation.\(^{15}\) Remember that these anti-neoliberal sentiments only grew in the 21st century. This unified opposition to water privatization drove thousands of Latin Americans in Uruguay, Peru, Colombia, Chile, Argentina, Nicaragua, and El Salvador, amongst other countries, to protest water privatization in the 21st century.\(^{16}\) Nowhere were these protests more vibrant than in Ecuador and Bolivia.

**Ecuador**

During the Latin American privatization bonanza of the 1980s and 1990s, Ecuador fell on the lighter end of the spectrum. Despite the continuity of neoliberal governance in the country

\(^{15}\) Chong, Inter-American Development Bank, and David Rockefeller Center for Latin American Studies, *Privatization for the Public Good?*

and a large public sector, Ecuador only privatized a few state-owned enterprises (SOE).\textsuperscript{17}
Between 1990 and 2000, the sale of SOEs amounted to less than 2% of Ecuador’s GDP, compared with over 14% in Peru and Paraguay.\textsuperscript{18} The most significant water privatization effort in Ecuador occurred in 2001, when a consortium of international companies called Interagua won a 30 year concession to provide water to Guayaquil, Ecuador’s largest city.\textsuperscript{19} Located on Ecuador’s southern coast in the province of Guayas, Guayaquil is the economic center of the country by virtue of its status as the country’s main commercial port.\textsuperscript{20} Although the American company Bechtel initially controlled Interagua, in 2008, the French company Veolia bought a majority stake in the consortium and assumed responsibility for providing potable water and sanitation services to Guayaquil’s 2.6 million residents.\textsuperscript{21}

Several factors led to the privatization of Guayaquil’s water services. One year before the concession was signed, Jaime Nebot became major of Guayaquil and quickly gave his blessing to the privatization efforts.\textsuperscript{22} Nebot is considered the protégé of former Ecuadorian president León Febres Cordero, who served as Ecuador’s president from 1984-1988 and was an early architect of Ecuador’s neoliberal reforms.\textsuperscript{23} Once mayor, Nebot positioned himself to further Febres Cordero’s agenda.\textsuperscript{24} Thus, attempts to privatize water in Guayaquil benefitted from institutional support from the mayor’s office.\textsuperscript{25}

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\textsuperscript{17} Chong, Inter-American Development Bank, and David Rockefeller Center for Latin American Studies, \textit{Privatization for the Public Good}?
\textsuperscript{18} Chong, Inter-American Development Bank, and David Rockefeller Center for Latin American Studies.
\textsuperscript{19} Whitehead, “Ecuadorians Tired of Waiting for a Cleanup of Guayaquil’s Filthy Waters.”
\textsuperscript{21} Whitehead, “Ecuadorians Tired of Waiting for a Cleanup of Guayaquil’s Filthy Waters.”
\textsuperscript{22} Whitehead.
\textsuperscript{25} While the privatization of public utilities must be approved by the federal government, some cities (Guayaquil and Quito) possess significant autonomy to dictate their services.
The actions of international organization, however, were just as important as Nebot’s support in privatizing the city’s water system. As Francisco Carrión Mena mentioned, the international community (i.e., “Washington”) repeatedly pressured Ecuador to adopt certain policy measures through conditional loans. These conditions attached to loan money incentivized Ecuador to implement neoliberal policies, like privatization. This is exactly what happened in Guayaquil: in 1997, the Inter-American Development Bank (IDB)—the most active multilateral lender in Latin America and a staunch proponent of Washington Consensus policies—provided Ecuador with a 40-million-dollar loan on the condition that almost half the money go toward preparing Guayaquil’s water system for privatization. Ecuador complied with the terms of the loan and, after three years of preparation, opened Guayaquil’s water system up to private bids. The city received one. The city accepted this bid, from Interagua, despite the blatant lack of competition for the concession.

The privatization of Guayaquil’s water services reveals an unsettling fact about water privatization: despite proponents claims that competition among bidders would ultimately benefit the consumers, there is startlingly little competition in the privatized water market. Shockingly, two giant French companies, Suez and Veolia, control almost 70% of the privatized water market worldwide. Moreover, three other companies dominate the remaining 30%. All told, five corporations have a near stranglehold on the entire private water industry. These five corporations often work in concert to jointly run a private water system, further reducing the

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26 See page 43 for full quote.
30 Hall and Lobina, “Water Privatisation in Latin America, 2002.”
competition in the market. With so few corporations providing nearly all private water service—the Latin American market is dominated by Suez—true market competition is a fallacy.

Not all theories of water distribution view a lack of competition as a negative outcome. The theory of “natural monopolies” posits that it is advantageous for most public utilities, water included, to be controlled by a single operator. According to this theory, a single distributor of water can provide water at a lower cost than multiple distributors could, due to economies of scale. Thomas DiLorenzo explains: “In such industries, the theory goes, a single producer will eventually be able to produce at a lower cost than any two other producers, thereby creating a "natural" monopoly.” The theory of natural monopolies does not, however, distinguish between natural monopolies controlled by a government and those controlled by a private company. In fact, this theory has been used to justify both private and public control over water services. Moreover, Budds and McGranahan do not believe the theory of natural monopolies legitimizes the lack of competition for the provision of water services: “the extent to which urban water and sanitation provision are natural monopolies should not be exaggerated, since even limited competition within an urban area can be an important means of preventing the abuse of monopoly powers.” Guayaquil did not experience even the “limited competition” Budd and McGranahan mention since the city only received a single bid.

32 Hall and Lobina, “Water Privatisation in Latin America, 2002”; Prasad, “Privatisation Results.”
34 DiLorenzo.
35 Budds and McGranahan, “Are the Debates on Water Privatization Missing the Point?”
36 Budds and McGranahan.
This situation placed the city of Guayaquil in a no-win scenario. They could not afford to reject 40-million-dollars from the IDB by refusing to privatize, nor could they seek a more advantageous contract from Interagua, because Interagua was the sole bidder. The resulting contract gives Interagua exclusive privileges to distribute potable water in Guayaquil until 2031.\(^37\) Although Guayaquil’s private water system is the largest example of privatized water in Ecuador, it is not the only one. A year before Interagua won the bid for Guayaquil’s water services, private water company called Amagua was selected—again without competition—to distribute water in Samborondón, Ecuador until 2051.\(^38\) Samborondón is another city in the Guayas province, although much smaller than Guayaquil. Four months after Amagua won the bid, a Colombian-Spanish joint venture purchased the company.\(^39\) Allegations of corruption have followed the project because the concession was awarded to Amagua without a single competing bid.\(^40\) The last Ecuadorian city with privatized water distribution is Machala. Located south of Guayaquil, Machala has a population of 250,000 and is one of the world’s largest banana exporters, thus earning its nickname of “banana capital of the world.”\(^41\) In 2004, the city awarded the Machala Triple Oro Water Concession consortium a concession to operate water and sanitation services in the city.\(^42\)

\(^{37}\) “Inter-American Development Bank Water and Sanitation Sector Loans Promoting Privatization | Public Citizen.”
\(^{39}\) Hall and Lobina, “Water Privatisation in Latin America, 2002.”
\(^{40}\) Hall and Lobina.
Bolivia

Although the “star pupil in the school of neoliberalism” did not start privatizing SOEs until the 1992 passage of the Privatization Law, upon enactment of this law, Bolivia quickly started to live up to its reputation. In the first year after the Law of Privatization was signed, the Bolivian government privatized 34 SOEs. The sale of these SOEs had a dramatic impact on the Bolivian economy. Between 1990 and 2000, the sale of SOEs in Bolivia generated almost 12% of Bolivia’s GDP, far exceeding Ecuador’s <2%, and third most in all of Latin America by percentage of GDP. Bolivia generated so much revenue due to the number of SOEs it privatized and the size of those SOEs. In 1995 and 1996 alone, the five largest SOEs—oil, electricity, phone, airline, and train—were all privatized.

Several water systems were privatized during this period, including the water systems in two of the three largest cities in Bolivia. In 1997, the Bolivian government privatized the water provision for La Paz, Bolivia’s capital and largest city, and El Alto, Bolivia’s second largest city, under a single concession. This arrangement was possible because the cities are adjacent to one another—El Alto is located on a high plateau overlooking the capital city. At the time, the cities had a combined population of over two million residents. The Bolivian federal government tightly controlled the water privatization process. The federal regulatory authority, the Superintendencia de Agua y Servicios Básicos (SISAB), not the cities of La Paz/El Alto, signed

44 Garrón, Machicado, and Capra.
45 Chong, Inter-American Development Bank, and David Rockefeller Center for Latin American Studies, Privatization for the Public Good?
the contract with a joint venture called Aguas de Illimani. Unsurprisingly, Suez, the largest private water provider in Latin America, controlled 55% of the venture, with an arm of the World Bank itself owning an additional 8%. Like in Guayaquil, La Paz and El Alto faced enormous financial pressure from international organizations to privatize their water system. While in Ecuador the IDB threatened to withhold conditional loans if Ecuador did not privatize Guayaquil’s water system, in Bolivia, it was the World Bank who made loans conditional upon privatization. Bowing to the international pressure, Bolivia signed a 30-year concession contract with Aguas de Illimani.

The most infamous instance of Bolivian privatization, and arguably the most notable single act of privatization in the 20th century, occurred in 1999 when the Bolivian government privatized the urban water system in Cochabamba, a city of 600,000 people located 8,400 feet above sea level in the Andes mountains. The government awarded the concession to a foreign-led consortium called Aguas de Tunari. The American company Bechtel, the 8th largest American company and the biggest American provider of water services, possessed a majority share in the consortium. This consortium received exclusive rights to all water exploitation in Cochabamba, appropriating the services traditionally provided by community-based cooperatives. Like the concessions in Guayaquil and Machala, the sale of Cochabamba’s water

50 Poupeau.
51 “Bolivia.”
52 Poupeau, “From Private to Public.”
system was a closed door affair that produced only one bidder: Aguas de Tunari. Thus, Bechtel could dictate the terms of the contract because it had no competition. According to Bechtel’s own website: “Aguas del Tunari’s bid did not meet the terms of the tender, but the government of Bolivia passed a Supreme Decree that allowed for negotiation.”57 Since they were the unitary bidder, they possessed enough leverage to force the Bolivian government to negotiate the terms of the contract. This “competitive” process resulted in a 40-year contract.

The conspicuous lack of competition is not the only characteristic the privatization of Cochabamba’s water privatization shared with the process in Guayaquil. As in the privatization of La Paz/El Alto’s water system, the World Bank leveraged its financial sway to induce privatization of Cochabamba’s water services: the World Bank made 600 million dollars in international debt relief conditional upon the privatization of Cochabamba’s water system.58

58 Shultz, “Bolivia.”
Chapter V: Reactions to Water Privatization in Latin America

Ecuador

Ecuadorians did not react passively to the privatization of their water systems. Instead of cowering to the demands of the United States, the IMF, the World Bank, and their own national government, Ecuadorians resisted the spread of water privatization. Throughout the 1990s, neoliberalism’s hegemony blocked the opposition to water privatization from expressing their distaste through governmental mechanisms. This resulted in a culture of direct action forming in Ecuador, as the debates over water privatization played out in the streets instead of in the National Assembly.¹ In the early 1990s, water privatization protests discovered one of their favorite tactics: las cortas de rutas. Protesters and marcher systematically blocked important highways and other roads with barricades composed of rocks, concrete, trees, and the protestors themselves.² This became a mainstay of anti-privatization protests well into the 21st century. One of the first mass mobilizations in Ecuador against privatization occurred in 1993 when the National Federation of Indigenous Social Security, together with the Confederation of Indigenous Nationalities of Ecuador (CONAIE), the largest indigenous federation in Ecuador, took to the streets to protest the government’s broad privatization agenda.³ This protest, in conjunction with another CONAIE mass mobilization in 1990 over a proposed agrarian reform, convincingly demonstrated three things to the Ecuadorian government: 1) that Ecuadorians would resist further neoliberal reforms; 2) that this resistance could be very impactful on the neoliberal project, and; 3) that indigenous actors would play a pivotal role in said resistance (appendix 9 shows a largely indigenous led anti-water privatization protest in Quito).

² Petras and Veltmeyer.
³ Petras and Veltmeyer.
The 1993 anti-privatization protest foreshadowed CONAIE’s vital contribution to the anti-water privatization cause, and to the anti-neoliberal cause more generally. Starting in the late 1980s, Ecuador’s indigenous movement became arguably the most influential social movement in the nation, a title shared perhaps only with the peasant movement, although the two frequently overlapped and urbanization weakened the latter.\(^4\) In Ecuador’s indigenous movement, no group possessed more power than CONAIE. CONAIE united 14 separate indigenous nationalities into a single federation and created its own political party (Pachakutik).\(^5\) The federation harnessed its influence to “[emerge] as the leading force behind street mobilizations that repeatedly pulled down neoliberal governments.”\(^6\) This quote does not overdramatize the political situation in Ecuador during the 1990s and early 2000s. Between 1997 and 2005, three governments were toppled by mass protests. Three elected presidents—Abdalá Bucaram, Jamil Mahuad, and Lucio Gutiérrez—were forced from office prior to the expiration of their terms do the pressure exerted of social forces.\(^7\) Despite never representing more than 40% of the population, according to very generous estimates, the indigenous movement wielded significant power.\(^8\) Notably, however, this power still manifested itself almost exclusively through direct actions, or “uprising politics,” not institutional political engagement since, as this paper discusses later, the indigenous movements’


\(^6\) Becker, “Correa, Indigenous Movements, and the Writing of a New Constitution in Ecuador.”


\(^8\) Becker, “Correa, Indigenous Movements, and the Writing of a New Constitution in Ecuador.”
main political vehicle, CONAIE’s party Pachakutik, failed to achieve institutional electoral success.⁹

Although CONAIE and the rest of the indigenous movement protested a variety of neoliberal policies, they exerted tremendous pressure on water privatization issues. For example, protests rocked the capital city of Quito in 2007 after plans to privatize the city’s water services came to light.¹⁰ Large-scale protests also erupted in 2000, 2008, 2009, and 2014.¹¹ These protests unequivocally demanded the repeal of private concessions, as well as increased public input in water distribution and more equitable water access. Crafting a new constitution that protected and defended these rights was among the anti-water privatization movement’s most insistent demands. The pressure from social movements, particularly the indigenous movement catalyzed against water privatization, installed the prospect of a new constitution as a main policy topic in the beginning of the 21st century. This illustrates social movements’ ability to influence Ecuador’s policy agenda. Rutgerd Boelens writes: “particularly in Ecuador and Bolivia, the South American countries with the largest indigenous populations, relatively well-organized social movements have been able to change national-level water reform debates and constitutions…”¹² Politicians courted the support of this influential, active, and largely indigenous social movement due to its ability to “pull down” administrations and shape the

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¹² Boelens, Water, Power and Identity.
policy agenda. None, however, tried harder to enlist the support of the indigenous movement than Rafael Correa.

The Rise of Rafael Correa: The Unlikely Revolutionary

After his victory in the 2006 presidential elections, Rafael Correa became “inevitably included with Venezuela’s Hugo Chavez and Bolivia’s Evo Morales as part of a triad of radical left-leaning governments in South America.” Yet, lumping these three presidents together disguises their important ideological and policy differences. To start, each president comes from a unique political background that shaped their actions while president. Chavez “had a long history of organizing revolutionary change within the Venezuelan military,” while Morales was a community organizer and longtime head of the powerful coca growers’ union. Contrasting, Correa was a professional economist with a doctorate from the University of Illinois, speaks fluent English and French, and had remained isolated from politics before 2005. In 2010, these traits led The Economist to label Correa an “unlikely revolutionary.”

Although Correa’s last presidential term ended in May 2017, Ecuador elected his hand-picked successor, Lenin Moreno, to replace him. While Moreno’s policies have deviated some from Correa’s, the nascent stage of his administration makes it challenging to evaluate his policy intentions. Furthermore, the political legacy Correa left in Ecuador cannot be overemphasized. He entered the race as the “quintessential ‘outsider,’” having held no previous elected positions, or even being a prominent political partisan. His sole governmental experience came in 2005,

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13 Becker, “The Stormy Relations between Rafael Correa and Social Movements in Ecuador.”
14 Becker.
16 “Spearheading Dissent.”
18 Conaghan and de la Torre, “The Permanent Campaign of Rafael Correa.”
when he briefly served as Minister of the Economy under interim President Alfredo Palacio.  

Running against Álvaro Naboa, Ecuador’s richest business man, Correa employed a radical “hybrid” political technique combining populist appeals and innovative campaigning to gain the upper hand. Correa formed a new political party, Alianza de País (AP), and employed a savvy marketing team to highlight his story. He branded his campaign as a “citizens’ revolution” against the *partidocracia*, an invented word meaning ‘partyocracy.’ The message of this revolution was clear: the political class in Ecuador was corrupt, oligarchic, and dismissive of the concerns every-day Ecuadorians held. He also campaigned as a bitter enemy of neoliberal economic policies, and his time as Minister of the Economy supported this claim. In this way, Correa’s message mirrored that of Chavez and Morales.

Yet, unlike Chavez and Morales, Correa never harnessed the full support of his country’s indigenous movement. Despite the fact that Correa attracted a large coalition among the left, the indigenous movement remained wary of him. As discussed later, this was likely due, in part, to the actions of the Gutiérrez administration. Correa’s platform was, however, also responsible for the rift between him and the indigenous movement. Many in the social movement felt Correa was attempting to “[occupy] political spaces that they had previously held.” For example, the indigenous movement believed that Correa had “hijacked” their own platform by making calls

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19 Conaghan and de la Torre.
22 de la Torre and Conaghan, “The Hybrid Campaign.”
23 Conaghan and de la Torre, “The Permanent Campaign of Rafael Correa.”
for a constituent assembly central to his campaign. The tensions between the indigenous movement and Correa became apparent when the movement decided to support a third candidate, Luis Macas, in the first round of the presidential election. Macas only received 2.2% of the vote and did not advance to the second round. It should be noted that some members of the fractured indigenous movement did support Correa in the first round, but CONAIE only reluctantly endorsed him during the second round of the elections. Thus, while the indigenous movement supported many of Correa’s policy objectives—a constituent assembly, increased social spending, an end to neoliberal economic policies, etc.—their relationship with the candidate is best characterized as suspicious.

While Correa possessed a tenuous connection to the indigenous movement, he owes his political success to the legacy of this movement. His anti-imperialist rhetoric resonated with the Ecuadorian people due to the strong tradition of “uprising politics” in the country. In his article, *The Stormy Relations between Rafael Correa and Social Movements in Ecuador*, Marc Becker explains: “Without question, Correa’s electoral victory was the culmination of a history of social and popular struggles, led in the neoliberal 1990s primarily by Indian rights movements. If it had not been for these social pressures, Correa could not have gained the presidency…he rode antisystemic protests to power.” Yet, the same protestors that laid the foundation for Correa’s success soon turned their critical eye on him.

The indigenous movement in Ecuador quickly realized that despite Correa’s radical promises, he deviated little from the previous neoliberal presidents. Upon assuming office, Correa abandoned the principles of *sumak kawsay*—a Kichwa term that roughly translates to

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26 Becker.
28 Becker, “The Stormy Relations between Rafael Correa and Social Movements in Ecuador.”
“good living,” and signifies living in harmony with nature—that he claimed to uphold; he passed a new mining law that increased unpopular extractivist policies, consolidated power in the executive branch, and showed blatant antagonism toward environmental activists.\(^{29}\) When asked if the AP government follows the principles of *sumak kawsay*, the Confederation of Indigenous Nationalities of the Ecuadorian Amazon (CONFENAIE), the largest lowland indigenous organization and part of the CONAIE coalition, stated bluntly: “absolutely no, they use [*sumak kawsay*] as a political slogan and a marketing strategy.”\(^{30}\) CONAIE went even further, calling Correa’s mining policies “neoliberal and racist.”\(^{31}\) Instead of the radical departure from the neoliberal governments of the past, by 2009, social movements in Ecuador believed that Correa was “taking Ecuador in a moderate or even fundamentally conservative direction that primarily benefits wealthy capitalist interests rather than marginalized communities.”\(^{32}\) Nevertheless, when Correa called a referendum to convene the constituent assembly on April 15, 2007—exactly three months after his inauguration—it passed convincingly.\(^{33}\)

Later that same year, Correa’s AP party won a majority of the seats in the constituent assembly tasked with writing the country’s new constitution.\(^{34}\) Despite Correa’s neoliberal bent, the constituent assembly delegates, with input from social movements, wrote the most radically left constitution in Latin American history. The progressiveness of the constitution appealed to the Ecuadorians who had resisted neoliberalism for decades. In 2008, 64% of Ecuadorians voted in a popular referendum to approve the new constitution. The Ecuadorian constitution became

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\(^{30}\) Interview with CONFENAIE, email, October 21, 2017.

\(^{31}\) Becker, “Correa, Indigenous Movements, and the Writing of a New Constitution in Ecuador.”

\(^{32}\) Becker, “The Stormy Relations between Rafael Correa and Social Movements in Ecuador.”

\(^{33}\) Conaghan and de la Torre, “The Permanent Campaign of Rafael Correa.”

the first national constitution to grant formal rights to nature, a move consistent with the principles of *sumak kawsay*. The constitution does, in fact, use the term *sumak kawsay* numerous times in its text, giving indigenous leaders hope that the document signaled a change in Ecuador’s extractivist economic policies.

The 2008 constitution also attempted to dramatically transform Ecuador’s water governance regime. For the first time in the country’s history, water was designated a “fundamental and unalienable” human right. Moreover, the constitution attacked privatization—the hegemonic water governance regime—head on. Article 314 of the constitution bans the private provision of water: “The State will be responsible of the provision of the public services of potable water and irrigation...,” while article 318 bans the act of privatizing water: “any form of water privatization is forbidden.” Despite the codification of a ban on water privatization, to this day, the federal government has not cancelled the private water concessions in Guayaquil, Machala, and Samborondón. Highlighting this, in 2009, Impunity Watch estimated that 45% of Ecuador’s fresh water resources were still privatize. This estimate includes private irrigation concessions and other non-potable water resources in addition to urban water systems. Faced with this demonstrable lack of implementation of the 2008 constitution, CONAIE vice-president Miguel Guatemala reflected: “What’s been happening for us is that we’ve triumphed, but we’ve

35 Harris and Roa-García, “Recent Waves of Water Governance.”
37 Sovereign Hager.
lost: or we lost, but we won.”38 Activist Raquel Gutiérrez Aguila put it even more directly: “we won but we lost.”39

I devote chapters VI and VII of this paper to examining why the constitutional ban on water privatization has not been implemented.

Bolivia

While the privatization of Cochabamba’s water services followed the standard Latin American trajectory—fiscal pressure from an international monetary organization coupled with little competition for the contract—it became infamous due to the public’s reaction to the concession. Resistance to the concession started even before the concession was signed. After Aguas de Tunari submitted its bid for the water system in 1999, the Cochabamba College of Engineers estimated that under Aguas de Tunari, potable water prices in the city would increase up to 180%.40 This led to widespread discontent over the lack of competition in the bidding process. As a response to the proposed privatization of their water, frustrated residents created the Coordinadora por la Defensa de Agua y la Vida (Coordinator for the Defense of Water and Life), an umbrella organization that coordinated various social actors into a cohesive unit.41

The Coordinadora’s discontent only intensified after consumers received their first Aguas de Tunari-issued water bills in January 2000. These bills confirmed the College of Engineers’

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39 Daub.
41 Assies.
gloomy predictions: water prices spiked over 150% for some residents and, on average, water bills rose by 60% for Cochabamba’s residents.\textsuperscript{42}

In late March 2000, the \textit{Coordinadora} mobilized a diverse coalition of social actors encompassing Bolivians from every class, occupation, age, and ethnicity into three straight weeks of public protests against the private water concession (appendix 10 shows some of these protestors).\textsuperscript{43} Within the broad coalition of protestors mobilized by the \textit{Coordinador}, an “assertive indigenous leadership” largely drove the efforts, just as in Ecuador.\textsuperscript{44} Unequivocal in their demand for the cancellation of Aguas de Tunari’s concession, the protestors blocked roads into Cochabamba with homemade barricades—in their version of the \textit{cortas de rutas} pioneered in Ecuador—and swarmed Cochabamba’s main plaza with tens of thousands of people.\textsuperscript{45} The scale of these protests caused President Banzer to declare a 90-day state of emergency and send the Bolivian military into Cochabamba to clear the streets.\textsuperscript{46} Far from containing the protests, the presence of the Bolivian military only catalyzed further mass mobilization. Confrontations with the military grew increasingly violent and the military killed at least one protestors—a 17-year old student named Víctor Hugo Daza.\textsuperscript{47} The violent interactions between the Bolivian military and the Cochabamban protestors during the ensuing weeks caused people to label this episode \textit{la Guerra de Agua}: The Water War.

On April 9, 2000 the first Water War ended. After almost a month of sustained mass mobilizations to protect their water system, the residents of Cochabamba forced the federal

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{42} Simmons, “Market Reforms and Water Wars”; Assies, “David versus Goliath in Cochabamba.”
\item \textsuperscript{43} Simmons, “Market Reforms and Water Wars.”
\item \textsuperscript{45} Seemann, \textit{Water Security, Justice and the Politics of Water Rights in Peru and Bolivia}.
\item \textsuperscript{46} Seemann.
\end{itemize}
\end{footnotesize}
government to rescind Aguas de Tunari’s concession. The next day, an agreement between the federal government and the *Coordinadora* established a public municipal water company to provide water services in Cochabamba.

The anger over privatization and neoliberalism that sparked the Water War in Cochabamba spread throughout Bolivia. After the initial wave in Cochabamba had receded, this anger resurfaced again in 2003 during the Gas Wars—nation-wide protests over plans to export Bolivian natural gas to the United States—and in 2005 during the second Water War—protests over water privatization in the cities of El Alto and La Paz. The Gas War left at least 55 people dead and eventually forced the resignation of President Gonzalo Sanchez de Lozada.

The second Bolivian Water War occurred five years after the Bolivian government cancelled Aguas de Tunari’s contract in Cochabamba. This time around, the setting was in La Paz/El Alto. Following the mold established in Cochabamba, community organizers—with direct knowledge transfer from the *Coordinadora* in Cochabamba—coordinated large-scale protests against the private concession. These protests occurred concurrent with other mass mobilizations throughout Bolivia, mostly in response to a new natural resource law. Together, these protests mobilized hundreds of thousands of people and blockaded several major Bolivian

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48 Terhorst, Olivera, and Dwinell, “Social Movements, Left Governments, and the Limits of Water Sector Reform in Latin America’s Left Turn.”
49 Otto and Böhm, “‘The People’ and Resistance against International Business.”
50 Assies, “David versus Goliath in Cochabamba.”
52 Laurie and Crespo, “Deconstructing the Best Case Scenario: Lessons from Water Politics in La Paz-El Alto, Bolivia.”
cities. Like in Cochabamba, the La Paz/El Alto Water War forced the federal government to prematurely terminate the private water provision contract for the cities.

The public antagonism toward Aguas de Illimani stemmed less from price increases as from the failure of the company to honor its “pro-poor” contractual terms. The “pro-poor” model used in the La Paz/El Alto water concession mandated that the company make decisions based “not only on technical economic criteria…commercial criteria…or political criteria…. but also on ‘social’ criteria.”\(^{54}\) While Aguas de Illimani’s contract contained several “social” mandates, protestors openly contested its compliance with these requirements. For example, in 2005, the superintendent of water in El Alto “conceded that Aguas de Illimani manipulated the figures when they led everyone to believe that the coverage rates for potable water in El Alto were 100%.”\(^{55}\) In reality, the coverage rates for El Alto, the poorest area in the concession with a 70% poverty rate, may have been less than 30%.\(^ {56}\) Furthermore, a survey of four communities in La Paz-El Alto revealed that 64% of respondents could not afford their water bills.\(^ {57}\) While the Water War in Cochabamba revealed a private concession operating at its worst—dramatic price increases and no public accountability—the Water War in La Paz/El Alto demonstrated the limitations of even the best private concessions—those with social justice mandates.

The second Water War was part of widespread protests that ultimately led to the resignation of President Carlos Mesa in 2005. Despite the removal of two successive presidents by angry protestors, Bolivia did not descend into a “ungovernable narco-state” as *The Economist*

\(^{54}\) Laurie and Crespo, “Deconstructing the Best Case Scenario: Lessons from Water Politics in La Paz-El Alto, Bolivia.”

\(^{55}\) Laurie and Crespo.


\(^{57}\) Laurie and Crespo.
predicted. Instead, in the wake of Mesa’s resignation, the country’s political climate stabilized. The election of Evo Morales sparked this transformation.

**Election of Evo Morales**

Unlike Rafael Correa, Evo Morales had a long political history before he became president. Morales, an indigenous leader, was also the longtime leader of the coca growers’ union, a group that under his guidance morphed into one of the most politically vocal and important social movements in Bolivia. In his book, *The Rise of Evo Morales and the MAS*, Sven Harten writes: “Evo Morales cannot be understood without the social movement—the coca growers—within which he developed his political career.” Unlike Morales, Correa was not politicized by social movements. This distinction between Morales and Correa is far from trivial. For while Correa crafted a political party around himself and used that platform to run for president, when Evo Morales ran for president of Bolivia in 2005, he was the chosen representative of a vast social movement. In other words, Correa used social movements as political instruments to engender support for his policies, whereas Morales was the political instrument of social movements. The social movements behind the protests that gripped Bolivia between 2000 and 2005 chose Morales to lead their political vehicle, *Movimiento al Socialismo* (Movement Toward Socialism; MAS). In the 2005 presidential election, for example, El Alto, the site of the second Water War, voted 77% for Morales.

Like Correa, Morales convened a constituent assembly almost immediately upon assuming office. The MAS party controlled over half of the assembly seats, although it worked

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58 Becker, “The Stormy Relations between Rafael Correa and Social Movements in Ecuador.”
to create a “Unity Pact” with other actors. The process of writing a new constitution moved slower than in Ecuador and the constitution referendum was not held until 2009. Yet, when it did pass, it followed in the radical footprints of the 2008 Ecuadorian constitution. The principles of *Buen Vivir* (a Spanish translation of *sumak kawsay*) are woven throughout the constitution, including the designation of Bolivia as a “plurinational” country. Importantly, Bolivia’s 2009 constitution, like Ecuador’s 2008 constitution, directly challenges the previously hegemonic neoliberal ideology. Harris and Roa-Garcia state: “these constitutional shifts appear to be a key mechanism to stake out discourses and practices that represent alternatives to strong neoliberal and market logics of earlier policies.” This ideological change is seen especially in the Bolivian constitution’s treatment of natural resources—control over which formed the focal point of the protests between 2000 and 2005. Bolivia’s new constitution officially recognized water as a human right, and in article 20.III, stated: “access to water and sewage are human rights, they cannot be privatized or given in concession.” Later, article 373 asserts: “water cannot be privately appropriated and services cannot be granted through concession.” This language largely mirrors that used a year earlier in Ecuador’s constitution (appendix 11 is a table of the relevant language in the Ecuadorian and Bolivian constitutions). Where the Ecuadorian and Bolivian constitutions diverge is in their implementation. Although three Ecuadorian cities still maintain private water concession, no private company distributes water

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64 Harris and Roa-García, “Recent Waves of Water Governance.”
65 Harris and Roa-García.
in Bolivia. This means that the language codifying the bans on water privatization in both countries does not explain the difference in policy outcomes. Due to the similarities in Ecuador and Bolivia’s constitutions, one can conclude that the water governance regimes in both countries are influenced by more than just water policy. I turn now to variables that may have influenced the implementation of the constitutional bans.

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66 The water in Santa Cruz, Bolivia is distributed by a non-profit cooperative, not the government. But since it is a non-profit, no private concession has been granted: Bétrisey, Florence. “The Conditions for the Reproduction of the SAGUAPAC Water Cooperative in the City of Santa Cruz de La Sierra, Bolivia: Discourse Analysis.” Articulo - Journal of Urban Research, no. Special issue 7 (July 13, 2015). https://doi.org/10.4000/articulo.2764.
Chapter VI: Potential Hypotheses

This thesis addresses a hitherto unexplored question: why have the Ecuadorian and Bolivian constitutional bans on water privatization resulted in such different water governance outcomes? Whereas chapters III, IV, and V discuss the historical, economic, and political contexts in Ecuador and Bolivia, this chapter starts the transition to the argumentation phase of the thesis. This chapter addresses four possible hypotheses for the difference in policy implementation outcomes in Ecuador and Bolivia: 1) governmental operations; 2) social movements; 3) international influence; 4) local politics. I evaluate the explanatory power of these four hypotheses by examining if they manifest differently in each country, if they contain causal mechanisms, and if they are factually supported. Ultimately, this chapter demonstrates that each one of these hypotheses fails to satisfactorily answer the research question. Following this conclusion, Chapter VII presents my own explanation.

Governmental Operations

The governmental operations hypothesis encompasses two components of governmental operations: governmental structures and the actors within those structures. This hypothesis contends that these two aspects of the Ecuadorian and Bolivian governments explain the disparity in water governance between the two countries.

Governmental Structures

To determine if the changes to water governance structures in Ecuador and Bolivia are the cause of Ecuador’s continued use of private water suppliers, one must compare the constitutionally mandated changes to each country’s institutions. In Ecuador, the constitutional changes to water governance shifted control of water to a centralized authority. The Ecuadorian constitution states that a single state water authority will dictate water policy, a clear departure from the neoliberal
decentralization policies. In May 2008, the Ecuadorian government established this authority: the Secretaria Nacional de Agua (National Water Secretariat; SENAGUA). Based in Quito, SENAGUA is responsible for managing all water resources in Ecuador and creating relevant policy initiatives. Through SENAGUA, Correa’s government moved to consolidate control over water by homogenizing the country’s water laws. For example, local water collectives that had been granted tremendous autonomy under the neoliberal decentralization policies were now forced to conform with national standards to be legitimate in the eyes of the state. Moreover, the Correa administration began recruiting technical staff to work with the local water collectives, further reducing local autonomy. Although the 2008 constitution contains language purportedly designed to increase popular control over natural resources—a key social movement demand—functionally, local organizations are only “allowed to use their rule-enforcing autonomy and share in decision-making as long as it is in the interest of the State and in line with the State’s agenda (original emphasis).” Increased centralization therefore characterizes the institutional changes to water governance under Correa.

In Bolivia, the 2009 constitution exacerbated an existing tension in the country’s water governance between the local usos y costumbres (customary practices) water laws and a federal water code. The Bolivian constitution mandates that the government “recognize, respect, and protect the usos y costumbres of the community, of its local authorities and the rural native indigenous

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1 Harris and Roa-García, “Recent Waves of Water Governance.”
2 Harris and Roa-García.
5 Boelens.
6 Boelens.
organizations over the right, management and administration of sustainable water.” Yet, immediately following the enactment of the constitution, Bolivia established the Ministerio de Medioambiente y Agua (Ministry of the Environment and Water; MMAyA). This new ministry, in charge of both irrigation water and potable water, attempted to condense Bolivia’s patchwork water governance regime into a unified federal system. As in Ecuador, this move toward centralization provoked outcry from the previously autonomous water organizations.

The 2009 Bolivian constitution also introduced the Agricultural-Environmental Court, Bolivia’s highest court with jurisdiction over water issues. This gave citizens a public forum to address water governance problems. While Ecuador’s 2008 constitution created no comparable institution, the institutional change in Ecuador and Bolivia after the 2008/2009 constitutions is colored by the same trend toward centralization. With few institutional discrepancies between the water governance in each country, governmental structures cannot explain the research question. This means that the new water governance institutions are not responsible for the disparity in water privatization in Ecuador and Bolivia.

**Governmental Actors**

The second area of focus under the governmental operations umbrella is governmental actors. This hypothesis ascribes significant influence to the individuals in the Ecuadorian and Bolivian governments. If this hypothesis were true, differences in the political attitudes, aptitudes,

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9 Terhorst, Olivera, and Dwinell, “Social Movements, Left Governments, and the Limits of Water Sector Reform in Latin America’s Left Turn.”
and predilections of the people in the Ecuadorian and Bolivian governments would be to blame for the difference in post-constitution policy outcomes, with particular emphasis on the leaders of each country. In Ecuador and Bolivia these leaders are Rafael Correa and Evo Morales, even though Correa is no longer president. Determining the salient distinctions between these presidents may help evaluate this hypothesis.

As mentioned in chapter IV, Correa and Morales herald from distinct political traditions. Although the social movements in Ecuador reluctantly endorsed Correa in the second round of the 2006 presidential election, they never considered him a true ally. He was an outsider; educated in the United States and invisible during the protests that toppled two successive Ecuadorian presidents. Even the tepid allegiance during Correa’s first presidential campaign was short lived; barely a year after his election, Monica Chuji, a prominent Ecuadorian indigenous activist and former Minister of Communication under Correa, stated that Correa was a “rehashed [neoliberal] with a progressive face.” Importantly, the only indication that Correa shared the social movements’ priorities came in his brief stint as Minister of Finance when he vaguely criticized neoliberalism. Many on the left accuse Correa of showing his true political colors upon assuming office. To the chagrin of the social movements within Ecuador, these colors did not reflect Correa’s progressive rhetoric. Due to his lack of ideological integrity, Correa’s commitment to the anti-water privatization project can rightfully be questioned.

The same cannot be said for Morales. Morales began his political career as the leader of a coca growers’ union that fought against US-back eradication programs in the 1980s and 1990s. 

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Speared by Morales, the cocalero movement started massive protests following the first Water War that continued until the resignation of President Mesa in 2005. Furthermore, as Bolivia’s first indigenous president, Morales broke a centuries-old racial barrier in Bolivian politics. It is important, however, to remember that Morales has also faced significant criticism from political opponents on both sides of the political spectrum. Morales increased mining activity in Bolivia, making it the country’s dominant industry, attempted to amend the constitution to remove presidential term limits, and has failed to fulfil his promise of increased popular control over water governance. Despite his failures in certain areas of the progressive agenda, Morales’ belief in the platform is unquestionable; he is a member of the social movement, not just a fair-weather friend.

This hypothesis can, however, only partially explain the research question because it cannot elucidate why leaders with such different political predispositions were elected in each country. Nevertheless, it does hold some explanatory power. Chapter VII explores the viable aspects of this hypothesis by unpacking the political ramifications of the different governmental actors in Ecuador and Bolivia.

**Social Movements**

Although Correa and Morales each campaigned for new national constitutions, both borrowed this idea from social movements. After Correa and Morales won their presidential elections, the largely indigenous-driven social movements pressured both presidents into fulfilling

13 Clark and Becker, *Highland Indians and the State in Modern Ecuador.*
their campaign promises to convene constituent assemblies.\textsuperscript{16} Perhaps most importantly, these social movements played an important role in crafting the new constitutions as well.\textsuperscript{17} The indigenous movement in Ecuador succeeded in incorporating the principles of \textit{sumak kawsay} into their new constitution, while the Bolivian constitution prominently advocates for the compatible ideas of \textit{Buen Vivir}.\textsuperscript{18} Alberto Acosta, the president of Ecuador’s constituent assembly, believed that including \textit{sumak kawsay} in the Ecuadorian constitution demonstrated the reorientation of the country’s development model away from neoliberalism.\textsuperscript{19} So, if the social movements in Ecuador and Bolivia played such a large role in electing Correa and Morales, pushing for the constitutions, and drafting the new constitutions, are they also responsible for the disparity in constitutional implementation between Ecuador and Bolivia?

The social movement hypothesis correctly asserts that the social movements in Ecuador and Bolivia influence politics in distinct ways. This is most clearly seen in the distinctions between \textit{Alianza de Pais} (AP) and \textit{Movimiento al Socialismo} (MAS). In Ecuador’s fraught political climate, Correa decided to call AP a “political movement” not a political party.\textsuperscript{20} Since Ecuadorians believed that “political parties, congress, and the judiciary were responsible for corruption and all types of political and economic harms,” Correa’s cultivated image as an outsider running against traditional political parties engendered support.\textsuperscript{21} Despite the clever marketing scheme, however, AP was

\begin{itemize}
  \item Craig M. Kauffman and Pamela L. Martin, “Scaling up Buen Vivir: Globalizing Local Environmental Governance from Ecuador,” \textit{Global Environmental Politics} 14, no. 1 (February 9, 2014): 40–58.
  \item Kauffman and Martin.
  \item Jeffrey Webber, “A New Indigenous-Left in Ecuador?”
\end{itemize}
always a political party. AP was not founded by a movement; it was founded by Rafael Correa in 2005, just months after President Gutiérrez resigned from office. Correa used various inventive political tactics to transform his image from erudite professor into populist firebrand, but from its start AP was a political vehicle for Correa, not a social movement.

In contrast to AP, MAS’ origins are as a social movement. MAS formed in the mid-1990s during an Asamblea por la Soberanía de los Pueblos (Assembly for the Sovereignty of the People; ASP), a series of assemblies organized by the campesino and cocalero social movements. During these assemblies, the social movements decided to form an instrumento político (political instrument) for their movement. As Morales frequently mentions, “[MAS] is not a traditional party but the political instrument of the social movements that form its base.” Thus, the success of AP and MAS—both became the largest political “parties” in their countries—has had different implications for the social movements in Ecuador and Bolivia because only MAS was formed by social movements.

Since the 1990s, indigenous movements in Bolivia have been far more integrated into traditional party politics than in Ecuador, where social movements have primarily remained independent of formal political parties, acting as civil society influencers and outside policy advocates. This pattern continued with the rise of AP and MAS; because AP is not the arm of a social movement, and has frequently come into conflict with social movements, its political dominance has relegated social movements to peripheral, advisory roles. Whereas the prominence

22 Torre and Lemos.
23 Conaghan and de la Torre, “The Permanent Campaign of Rafael Correa”; de la Torre and Conaghan, “The Hybrid Campaign.”
25 Postero.
26 Clark and Becker, Highland Indians and the State in Modern Ecuador.
of MAS, a political instrument that represents many social movements, in Bolivian politics means that social movement actors are firmly integrated into party politics. The different levels of integration into party politics enjoyed by the Ecuadorian and Bolivian social movements suggests that this hypothesis has explanatory power. Yet, its ability to explain the research question is limited because it fails to elucidate a causal mechanism. In other words, it does not clarify how different levels of political integration impact water governance. While Ecuadorian and Bolivian social movements did achieve difference levels of political integration, it is unclear how this disparity accounts for differences in water governance. Chapter VII identifies a causal mechanism by which the social movement variable affects water governance, thereby increasing its explanatory worth.

International Influence

International organizations, including those Williamson labeled “Washington,” and TNCs were some of the largest architects of neoliberalism in Latin America from the 1980s into the 21st century. Using conditional loans as leverage, international organizations pushed most Latin American countries to privatize key industries, including water systems. TNC’s were frequently awarded the private contracts. International organizations shaped the water governance in Ecuador and Bolivia by pressuring them to award private water concessions to TNCs in Guayaquil, Cochabamba, and El Alto/La Paz. If international organizations influenced Ecuador and Bolivia’s water governance for over 30 years, maybe they are responsible for their current water governance regimes as well.

This hypothesis contends that international organizations and TNC’s pressured Ecuador to maintain its privatized water systems, while allowing Bolivia to abandon its privatized water. This hypothesis fails to account for the salient fact that the international community exerted more
pressure on Bolivia. Although international banks used financial incentives to urge both Ecuador and Bolivia to privatize water systems, in Bolivia the financial stakes were higher. The IDB made a 40-million-dollar loan conditional upon the privatization of Guayaquil’s water system, whereas the World Bank agreed to relieve 600-million-dollars of international debt if Bolivia privatized Cochabamba’s water system. More importantly, however, Bechtel, the TNC behind the Cochabamba contract, took Bolivia to the International Court for Settlement of Investment Disputes (ICSID) because Bolivia prematurely cancelled the Cochabamba contract. Bechtel sought a 50-million-dollar settlement for loss of future earnings. This action indicated to Bolivia that the international community would punish any move toward nationalization of water services. No such ‘warning shot’ was ever fired at Ecuador. Nevertheless, Bolivia abandoned private water providers while Ecuador did not. The evidence that there was more international pressure on Bolivia than Ecuador to maintain private water services contradicts the international influence hypothesis. For this reason, one can conclude that the international community (“Washington” and TNCs) are not responsible for the water governance outcomes of the 2008/2009 constitutions.

Local Politics

The local politics argument states that the intentions of the Ecuadorian and Bolivian federal governments are largely irrelevant for the research question. Instead, the local politics of Guayaquil, Machala, and Samborondón are to blame for the continued privatization of their water services. This theory argues that the Ecuadorian federal government delegated the implementation of the constitutional ban on water privatization to the local bureaucracies in

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28 Harris and Roa-García, “Recent Waves of Water Governance.”
29 Harris and Roa-García.
Guayaquil, Machala, and Samborondón and these local agents have failed to implement the ban. The primary issue with this hypothesis is that it artificially progresses Ecuador along Sabatier’s policy model. Appendix 4 shows the policy creation model adapted to the Ecuadorian and Bolivian context. In this model, the implementation of a policy—when the local bureaucracy puts the policy into action—follows the enactment of the policy. Yet, it does not automatically follow enactment. It is not an *a priori* phenomenon; the agents responsible for enactment must consciously delegate local bureaucrats with the task of implementation. The local politics hypothesis argues that the Ecuadorian federal government directed local bureaucrats to cancel private water concessions and establish public utilities and the local bureaucrats failed to do so. I, however, argue that the federal government never delegated local bureaucrats with this task. Instead, national politics prevented the constitutional ban from progressing to the implementation stage of policy creation (see appendix 12).

Empirical evidence supports this conclusion. In 2010, less than two years after the ink dried on Ecuador’s new constitution, Correa proposed a new water law. This law permitted the privatization of water, reduced community engagement in water management, and prioritized water access for industrial users.\(^{30}\) All of the aforementioned tenets of the law directly violated the 2008 constitution. Recognizing this, social movements rose up to oppose the law.\(^{31}\) Although public pressure eventually led Correa to abandon the law, four years later, he reintroduced it. This time, however, AP controlled almost 66% of legislative seats and the law eased through the National Assembly despite widespread public opposition.\(^{32}\) Correa’s repeated attempts at

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\(^{31}\) Interview with CONFENAIE.

negating the constitutional ban on water privatization demonstrates that it is unlikely that he asked local bureaucrats to implement the constitutional ban. Since Ecuadorian politics is a complex system involving more actors than just Correa, Correa’s pro-privatization attitude is not enough to answer the research question—as the following chapters demonstrate. Yet, because Correa never progressed the ban to the implementation stage of the policy creation model, the local politics hypothesis is incorrect.

None of these four hypotheses adequately explain why the Ecuadorian and Bolivian constitutional bans on water privatization have resulted in such different water governance outcomes. The next chapter presents another hypothesis.
Chapter VII: Political Integration, Policy Creation, and Accountability

Chapter VI illustrated the deficiencies of four plausible explanations for why Ecuador failed to implement its constitutional ban on water privatization while Bolivia successfully implemented its ban. This chapter presents another hypothesis—one that resolves the shortcomings of the governmental operations and social movement hypotheses (appendix 13 is a table summarizing all evaluated hypotheses). I argue that in Bolivia, a negative feedback loop between neoliberal decentralization policies and social movement integration into traditional party politics resulted in the successful implementation of the country’s constitutional ban on water privatization. Meanwhile, in Ecuador, this feedback loop never occurred, severely limiting social movements’ ability to hold Correa accountable for his policy decisions. This lack of policy accountability to the Ecuadorian social movements allowed Correa to curry favor with urban elites by maintaining privatized water systems, while ignoring the policy concerns of the social movements.

The Negative Feedback Loop

The negative feedback loop between government policy and the political integration of social movements in Bolivia is the foundational mechanism that explains why the Ecuadorian and Bolivian constitutions created such different policy implementation outcomes in each country. This feedback loop contains three crucial components: 1) social movements became more integrated into traditional party politics in Bolivia than in Ecuador; 2) this increased integration resulted in the Bolivian movements’ greater capacity to influence policy; 3) acting as

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policy influencers, the Bolivian social movements successfully implemented the constitutional ban on water privatization. Graphic 1 illustrates the negative policy creation feedback loop:

This chapter addresses each of these tenets individually.

**Political Integration**

Since chapter VI outlined the different levels of political integration the Ecuadorian and Bolivian social movements enjoy, this section will focus on why one is more integrated than the other. I argue that this difference stems, in large part, from discrepancies in the neoliberal decentralization policies implemented in each country during the 1990s. In Bolivia, decentralization was a fundamental precept of the neoliberal agenda starting in the 1980s. The most consequential act of decentralization occurred in 1994, when the Bolivian government signed the *Ley de Participación Popular* (Law of Popular Participation; LPP).

Approved by the Bolivian congress on April 20, 1994, the LPP is considered by many scholars to be the “most comprehensive political [reform] in the field of decentralization in Latin
America” since 1980. The LPP restructured the Bolivian government by decentralizing political decision-making to the municipal level. To this end, the LPP created 311 new Bolivian municipalities—the equivalent of a county in the United States—giving formal political recognition to communities and populations that had never before been counted on a national census. Altogether, the LPP recognized for the first time over 10,000 rural, most indigenous, communities. The LPP did not just create new municipalities; it gave those municipalities tremendous political clout. The new municipalities possessed authority over all budget decisions, including infrastructure and development planning, health, and education spending.

Furthermore, the federal government redistributed 20% of the annual national budget to these municipalities on a per capita basis. The significance of the per capita distribution model should not be overlooked; before the LPP, the federal governments awarded 90% of municipal funding to the three largest cities in Bolivia, even though the majority of the country lived in rural areas. Henceforth, the newly created rural municipalities, which contain the majority of the Bolivian population, received more money than the urban municipalities that had traditionally been the seats of political power in the country.

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4 Kohl, “Democratizing Decentralization in Bolivia.”


Not only did the LPP inject the 311 new municipalities with capital, it also legalized and legitimated popular control over the municipal budgets. The LPP granted neighborhood organizations, indigenous groups, and campesino organizations formal legal status as “representatives of their constituent populations.” Together, the Bolivian government designated these groups Organizaciones Territoriales de Base (Grassroots Territorial Organizations; GTO). The GTOs in each canton (the administration level below municipality) elected representatives for the municipal Comité de Vigilancia (Oversight Committee; CV) that oversaw all municipal budgetary expenditures. These committees possessed veto power over the municipal budgets, as well as authority to ensure proper implementation of said budgets. By 1997, only three years after the LPP’s passage, the federal government recognized over 15,000 GTOs, with an average size of around 500 people. The ability of GTOs to influence municipal budgets allowed indigenous and rural organizations to advance their policy interests through formal political channels. As Benjamin Kohl explains: “the LPP has broadened the scope of local participation in planning and decision making by officially recognizing the rights of grassroots and indigenous groups for the first time in the country’s history.” Even if the GTOs’ demands were not always implemented—they still had to coordinate with provincial and national institutions—the LPP instilled in these organizations a belief in popular control over regional institutions.

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8 Lalander and Altman, “[2003] Bolivia’s Popular Participation Law.”
9 Kohl, “Nongovernmental Organizations as Intermediaries for Decentralization in Bolivia.” There is significant scholarly disagreement over this abbreviation. Other suggested abbreviations include TBO (Territorial Base Organizations) and OTB (an abbreviation of the Spanish name). I have chosen GTO to highlight the grassroots aspect of this designation.
10 Lalander and Altman, “[2003] Bolivia’s Popular Participation Law.”
11 Kohl, “Stabilizing Neoliberalism in Bolivia.”
12 Kohl, “Democratizing Decentralization in Bolivia.”
13 Kohl, “Stabilizing Neoliberalism in Bolivia.”
The LPP provided the initial structural reforms necessary for social movement integration into Bolivian party politics. Two aspects of the LPP facilitated this integration: the creation of new political spaces, and the legal recognition of indigenous, *campesino*, and neighborhood groups. The LPP carved out new political spaces by decentralizing administrative elections. For the first time the LPP allowed municipal residents to elect their own mayors and town councilors. Previously, mayors had appointed the councilors, the mayors themselves had been appointed by prefects (the head of a Bolivian Department), who in turn were appointed by the president.14 Decentralizing the position gave local candidates a chance to enter the political system. Additionally, the legalization of GTOs allowed social movements to participate in these local elections by supporting and/or running candidates. Furthermore, the influence granted to GTOs gave social movement actors valuable political experience, as they learned how to manage a municipal budget while fostering cooperation among different cantons.

The political integration of social movements cultivated by the LPP was borne out in electoral results. In 1995, one year after the LPP’s implementation, the newly created *Instrumento Político por la Soberanía de Los Pueblos—Movimiento al Socialismo* (Political Instrument for MAS) won widely in municipal elections.15 By 1997, “at least 464 indigenous and campesino authorities were elected to the new local municipal office for the first time ever…representing 29% of the councilors elected throughout the country.”16 That percentage increased in the 1999 municipal elections.17 By 2004, MAS had become the most successful

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14 Thomas Perreault, Personal Interview; The LPP and Bolivian Water Governance, December 4, 2017.
17 Kohl, “Nongovernmental Organizations as Intermediaries for Decentralization in Bolivia.”
party in Bolivian local elections.\textsuperscript{18} The effect on indigenous representation in local politics was so profound that some indigenous leaders called the LPP the “blessed law.”\textsuperscript{19} The progress of social movement candidates in municipal elections proved a catalyst for even greater political integration; by the start of the 21\textsuperscript{st} century, these candidates had built on their local victories to win regional and national victories. Thomas Perreault writes about the rise of social movement candidates in Bolivian politics: “more [indigenous and campesino] candidates were elected to regional and national office in the 2002 elections than ever before in Bolivian history—almost certainly an (unintended) outcome of the LPP.”\textsuperscript{20} The LPP can therefore be considered the decisive factor in the political integration of Bolivian social movements.

The 2002 Bolivian presidential election highlights the rise of social movements in Bolivian party politics. That year, Evo Morales, an indigenous candidate, came in second place in the presidential election, only 2\% behind the winner. More importantly, however, Morales’ base reflected the importance of social movements: “Unlike previous elections in which urban populists or political parties represented indigenous interests, Morales and the senators and representatives on his party’s lists [obtained their support] mostly from the grass roots.”\textsuperscript{21} The next round of national elections, in 2005, unequivocally demonstrated the political influence of social movements: Evo Morales won a convincing presidential victory and the MAS became the largest party in the Bolivian senate.\textsuperscript{22} Morales’ election in 2005 can be traced back to the 1994

\textsuperscript{18} Clark and Becker, Highland Indians and the State in Modern Ecuador.
\textsuperscript{19} Sieder, Multiculturalism in Latin America.
\textsuperscript{20} Perreault, “State Restructuring and the Scale Politics of Rural Water Governance in Bolivia.”
\textsuperscript{21} Kohl, “Democratizing Decentralization in Bolivia.”
In a personal interview Thomas Perreault stated: “I’m convinced that if it were not for [the LPP], Evo [Morales] wouldn’t have been able to build an electoral base and get elected president in the 2000s.” Morales’ election was the culmination of processes started by the decentralizations of municipal administrative functions.

While the LPP decentralized control over municipal budgets to the GTOs, it did not decentralize control over natural resources. Perreault explains: “although seemingly contradictory to the logic of administrative decentralization, in Bolivia retaining control of water in a centralized state agency sympathetic to the objectives of neoliberalism is clearly the easiest way to privatize water resources.” Although the federal government denied municipal actors control over natural resources, especially land and water, these actors did not stay at the municipal level. As previously mentioned, social movement candidate quickly rose through the ranks of the Bolivian government. In fact, the lack of popular control over natural resources galvanized local communities into increasing political activity. As the movement surrounding natural resources gained in electoral stature, it maintained the objective of popularizing natural resource control. The 2005 national election represented the electoral victory of this platform as social movement agents, almost all advocating for popular control of natural resources, won the presidency and congress.

If Bolivia’s neoliberal decentralization policies resulted in the political integration of natural resource focused social movements, why did Ecuador’s decentralization policies fail to lead to the same result?

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23 Authors like Clark and Becker (2007) have noted that Bolivia’s traditional political parties also experienced severe internal crises during the late 1990s. This contributed to the electoral success of social movements because social movement candidates faced less powerful opposition.

24 Thomas Perreault, Personal Interview; The LPP and Bolivian Water Governance.

Ecuador’s version of the LPP occurred in 1997 and took the form of two new laws: the
*Ley Especial de Descentralización del Estado y de Participación Social* (Law of
Decentralization) and the *Ley Especial de Distribución del 15% del Presupuesto del Gobierno
Central para los Gobiernos Seccionales* (Law of 15%).26 The Law of Decentralization attempted
to bestow municipalities and provinces with some budgetary discretion while fostering local
development, while the Law of 15% mandated that 15% of the annual federal budget be
redistributed to municipal and provincial governments—10.5% and 4.5% respectively.27 Despite
a legal framework mirroring several aspects of the Bolivian LPP, implementation of
decentralization laws in Ecuador was partial at best. In practice, the 15% of the annual federal
budget awarded to municipalities and provincial governments never amounted to more than 7%
annually.28 In truth, decentralization laws gave municipal governments authority to direct local
development projects, but not the resources necessary to do so.

The lack of resources is one reason municipal governments in Ecuador failed to become
fertile ground for social movement politics as happened in Bolivia. Another reason is that
Ecuador’s decentralization laws did not strengthen indigenous and *campesino* organizations by
legitimizing their role in local politics. The Ecuadorian decentralization laws created no
equivalent to the Bolivian GTOs. This meant that the political engagement of Ecuadorian social
groups varied widely by municipality and was largely dictated by preexisting power relations.
Demographics also hampered the ability of Ecuadorian indigenous movements to elect their
representatives to local positions. In 1999, Pachakutik—the political arm of CONAIE—
conceded that demographic patterns in Ecuador made it “unlikely that indigenous and campesino

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27 John D. Cameron.
28 John D. Cameron.
mayors could be elected in more than 36 or 37 of Ecuador’s 214 municipalities.”

Accordingly, the movements’ electoral integration has been limited. Clark and Becker state: “in presidential, congressional, and local elections, Morales and his MAS Party have done much better than their Ecuadorian…counterparts.”

This lack of political integration prevented the Ecuadorian social movements from becoming policy influencers.

**Policy Influencers**

The Bolivian social movements’ political integration, catalyzed by the LPP, enabled the movements to influence public policy and, ultimately, implement the constitutional ban on water privatization, in two capacities: 1) as policy creators, and; 2) as accountability mechanisms.

Although these are not the only ways in which one might influence policy—lobbying, donations, and evaluation all spring to mind as alternatives—these are two direct methods Bolivian social movements employed to impact public policy. Acting as policy creators, the Bolivian social movements influenced public policy by crafting, enacting, and implementing policies that conformed with the mission of the social movements. Not only did they create new policies, but they held other policy creators accountable for their policy decisions. In doing so, they ensured that each policy creator remained ideologically consistent and did not abandon the social movements’ cause. In Ecuador, the social movements never became policy creators nor acted as accountability mechanisms. Therefore, they possessed a diminished capacity to influence policy. This allowed the Ecuadorian federal government, led by Correa, to leave the constitutional ban on water privatization unimplemented. If Ecuadorian social movements were policy creators and

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29 John D. Cameron.

30 Clark and Becker, *Highland Indians and the State in Modern Ecuador*. 

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possessed accountability powers, it is extremely possible they would have forced Correa to implement the ban on water privatization, despite his reticence.

Policy Creators

The 2005 national elections ushered in an age of social movement prominence never before seen in Bolivian politics. To be sure, Bolivian social movements had long demonstrated the capability to dramatically impact the political landscape. As discussed in chapter IV, the mass mobilization of social movements was responsible for the resignation of several Bolivian presidents in the beginning of the 21st century. Yet, the election of Morales and the MAS movement signaled an unprecedented turn in the politics of Bolivian social movements; from “uprising politics” to institutional politics.

This transition occurred due to the electoral victories of Morales and congressional MAS candidates. While certainly historic, Morales’ presidential election frequently obscures the equally significant feat achieved by MAS legislative candidates. In 2005, MAS candidates won an absolute majority of legislative seats in the Bolivian Legislative Assembly, a bicameral legislative branch composed of the Chamber of Deputies and the Senate. This was the first time in Bolivia’s history that a party had won an absolute majority (appendix 14 shows a breakdown of the legislative seats won by each party). This had a twofold impact on the social movements’ ability to influence policy; not only could each MAS congressman/congresswoman create, sponsor, or advocate for policies in the Bolivian legislature—thereby acting as a policy creator—but a legislative assembly favorable to Morales’ ideology increased Morales’ ability to pass his legislative initiatives.

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31 Perreault, “From the Guerra Del Agua to the Guerra Del Gas.”
32 Clark and Becker, Highland Indians and the State in Modern Ecuador.
As remarkable as the 2005 national elections were for the MAS, the elections of 2009 proved even better. In 2009, the Bolivian people reelected Morales with an astounding 64% of the vote.\textsuperscript{33} Not only that, but MAS won two-thirds of legislative seats, including a majority in both legislative houses.\textsuperscript{34} Upon seeing the election results, Morales stated: “By holding two-thirds of Congress, it is now my duty to accelerate the pace of change in Bolivia.”\textsuperscript{35} This quote highlights the ability of Morales and the MAS controlled legislature to influence Bolivian policy. Furthermore, it demonstrates that the more social movement candidates got elected, the more the social movements acted as policy influencers. The Bolivian constitution of 2009 reflects this dynamic. Although the constitution was passed via popular referendum in 2009, the Bolivian congress first approved a draft of the constitution in 2008. Thus, the political integration achieved by MAS congressmen/congresswomen allowed them to influence the renovation of the country’s political system by approving the new constitution.

Since 2009, the influence of social movements on Bolivian politics has not abated. In 2014, the last round of national elections, Morales again won the presidency and MAS again won two-thirds of legislative seats.\textsuperscript{36} Even though not all MAS politicians dutifully represent social movement interests, there is a strong allegiance between the two. Due to MAS’ political victories, politicians that are either a part of the social movements, or at least sympathetic to the cause, continue to be the largest bloc of policy creators in Bolivia. Remember that these

movements came into the political limelight following the first Water War and have made anti-water privatization a core tenet of their political agenda. Since the movements now occupy the role of policy creators, they can advance their “anti-imperialist and anti-capitalist” platform.\textsuperscript{37}

One must explore the political dynamics of Morales’ presidency to fully understand his ability to act as a policy creator. Morales is, in short, the strongest non-dictatorial leader in Bolivian history. In 2005, he won the presidency with 54\% of the vote—the first Bolivian president to win an outright majority since the beginning of democracy in Bolivia in 1983.\textsuperscript{38} Morales’ landslide victory led Bolivian political analyst Jim Schultz to exclaim: “stunning, historic win for Morales and MAS. It [represents] a greater mandate than any president has had in decades.”\textsuperscript{39} The 2005 victory, however, pales in comparison with the 2009 election results. That year, Morales won the presidency with 64\% of the vote.\textsuperscript{40} He continued his unprecedented electoral success by winning 61\% of the vote during the 2014 presidential election.\textsuperscript{41} Based on election results, Morales possesses the largest political mandate in Bolivian democratic history. He has also elevated other social movement agents to positions of influence: “some people who played an important role during the social movements gained seats in the Senate and important positions in the executive branch.”\textsuperscript{42} Due to their post, these social movement actors became influential policy creators.

\textsuperscript{42} Seemann, \textit{Water Security, Justice and the Politics of Water Rights in Peru and Bolivia}. 93
Morales’ commitment to the “October Agenda” also demonstrates the Bolivian social movements’ capacity to influence policy by setting the presidents’ policy agenda. Bolivian social movements formulated the October Agenda following the Gas War in 2003. The October Agenda was a policy platform that enumerated several demands, including the end to water privatization, the nationalization of hydrocarbons, the invocation of a constituent assembly, and the abandonment of neoliberal economic principles. Morales campaigned in 2005 on the promise of fulfilling the October Agenda. Due to social movement pressure, the October Agenda became Morales’ de facto policy platform for his first term in office. For example, on just his 100th day in office, Morales nationalized Bolivia’s gas and oil industries. The October Agenda continued to shape Morales’ policy platform well into his second term. In 2011 he exclaimed: “We have completed the October Agenda with gas nationalization, a new constitution, and our efforts to bring [former president] Goni and his ministers to trial.” As Sabatier’s policy creation model shows, agenda setting is the first step in the policy creation process (appendix 3). The ability of social movements to set Morales’ agenda allowed the social movements to influence which policies were created and which were not.

Much of this analysis relies on the assertion that Morales and MAS represent Bolivian social movements. The type of representation is primarily electoral, although one could make a strong argument that Morales is also the symbolic representative of Bolivian social movements. This does not mean that Morales and MAS are synonymous with Bolivian social movements.

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44 Thomas Perreault, Personal Interview; The LPP and Bolivian Water Governance.
Labeling Morales and MAS the elected representatives of Bolivian social movements is a convenient method of classifying Morales, MAS, and social movements and obfuscates significant divisions between the three. Morales has, for example, failed to promote environmental policies consistent with some social movement demands and MAS congressmen/congresswomen do not all toe the social movement policy line. For their part, Bolivian social movements are not a monolithic bloc; the cocaleros, campesinos, and indigenous movements all advocate for their own policies. Indigenous peoples do, however, compose the majority of social movement actors—indigenous peoples often have dual identities as members of several different social movements simultaneously. Importantly, the members of the cocalero and campesino movements are primarily indigenous. For this reason, assessing indigenous support for Morales is crucial to determining if Morales is the elected representative of social movements.

From 2005 to 2014, Morales and MAS consistently won the vast majority of indigenous votes. Appendixes 15 and 16 show the demographic landscape of Ecuador, highlighting the regions densely populated with Quechua and Aymara peoples—by far the largest indigenous groups in Bolivia. Appendixes 17 and 18 are the electoral maps of the Bolivian presidential elections of 2005 and 2009. These maps demonstrate that Bolivia’s indigenous populations composed Morales’ electoral base. The municipalities that voted for Morales in 2005 and 2009 almost perfectly match the municipalities with large indigenous populations. While electoral maps have not been created for the 2014 presidential elections, there is a map for the 2016

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constitutional referendum to abolish term limits (appendix 19). Morales strongly supported this amendment while his political rivals vehemently opposed it. The results of the election are therefore a crude measurement of support for Morales. Once again, support for the constitutional amendment was concentrated in primarily indigenous areas. While electoral support is an imperfect metric, it demonstrates that Morales and MAS can be considered the elected representatives of the Bolivian social movements.

In sharp contrast to the Bolivian social movements, the Ecuadorian social movements that coalesced around an anti-privatization message in the beginning of the 21st century have failed to integrate into Ecuador’s political system. This has curtailed their ability to act as policy creators. Pachakutik’s political crisis and the election of Correa illustrate the limited capacity Ecuadorian social movements possess to create policy.

In the beginning of the 21st century, social movements in Ecuador confronted their inability to influence policy. The most powerful social movement, the indigenous movement, decided to partner with a mainstream presidential candidate in the hopes of using that relationship to increase the movements’ political influence. This partnership strategy proved disastrous for the Ecuadorian indigenous movement. During the 2002 presidential election, Pachakutik partnered with Partido Sociedad Patriótica (PSP) candidate Lucio Edwin Gutiérrez. Not only did Pachakutik support Gutiérrez, but they entered into a formal electoral coalition with him, signaling to Ecuadorians that Gutiérrez represented both the PSP and Pachakutik. Gutiérrez attracted Pachakutik’s support for several reasons. Following the ouster of President Mahuad, Pachakutik sensed an opening in the political scene, but lacked the party infrastructure to exploit it alone. Thus, Gutiérrez, a leftist who opposed the IMF and the US, vowed to implement a
pluricultural administration, and already had the support of Ecuador’s communist party, appeared the best political vehicle available.

Despite facing an entrenched, connected, and wealthy opponent, Gutiérrez won the presidency in a landslide. More important to the indigenous movement, it appeared as if indigenous support for Gutiérrez had been the decisive factor: “it is generally assumed in Ecuador that the only reason Gutiérrez finished first…is that Pachakutik militants at the base, in local and provincial indigenous organizations that are tied to CONAIE, mobilized their constituents to vote for him.”

Pachakutik parlayed the importance of indigenous voters to Gutiérrez’s success into tangible political appointments. The Ecuadorian newspaper *El Comercio* wrote in 2003 that roughly 14% of available government jobs were awarded to members of Pachakutik, including four cabinet posts. Confidence in the partnership with Gutiérrez ran so high in Pachakutik that some party leaders spoke of a *cogobierno* (co-government) dynamic in which Pachakutik and Gutiérrez would come to a consensus on all major political decisions.

When asked if Pachakutik would play a role in Gutiérrez’s new government, Miguel Lluco, Pachakutik’s national coordinator, replied: “we are the government” (original emphasis).

It took four days in office for Gutiérrez to betray the indigenous movement. Four days into his presidency, he signed an agreement with the IMF that supported the formation of the Free Trade Agreement for the Americas and the continued privatization of public utilities, both resolutely opposed by Pachakutik. Gutiérrez also quickly traveled to Washington to assure them that he was “the US’s best friend in Latin America.” In September 2003, barely six months after Gutiérrez’s election, Pachakutik admitted it had been manipulated by Gutiérrez and

50 Mijeski, *Pachakutik and the Rise and Decline of the Ecuadorian Indigenous Movement*.
51 Mijeski.
52 Mijeski.
53 Petras and Veltmeyer, *Social Movements and State Power*.
formally withdrew from almost all government positions. Since 2003, the indigenous movement has been unable to recover from the “Gutiérrez debacle” and has remained without significant policy creators in the Ecuadorean government.

This is, in large part, because Correa’s election failed to herald political inroads for social movements in Ecuador. While Correa received a large portion of social movement votes in his first election, by 2009 most social movements publicly opposed him.\(^{54}\) Since he possessed no political affinity for the social movements aside from campaign rhetoric, and the social movements themselves vocally opposed him, Correa cannot be considered a social movement policy creator. Since the presidents in Ecuador and Bolivia are the single most influential policy creators, not electing a social movement candidate to that office represents a huge political setback for Ecuadorean social movements.

Even though Correa was not himself a member of a social movement, and social movements quickly revoked their support for him, he did rely on social movement support to win his first election.\(^{55}\) After assuming office, Correa did not reward the social movements’ political support; unlike Morales, Correa neglected to appoint a single indigenous person to an important post in his administration.\(^{56}\) While non-indigenous officials could conceivably support the interests of the indigenous movement, the appointment of non-indigenous people to political posts did not empower the indigenous movement, it further reduced the number of social movement agents in positions to be policy creators. It is also another example of how limited political integration adversely affected social movements’ capacity to influence policy.

\(^{54}\) Dosh and Kligerman, “Correa vs. Social Movements.”
\(^{55}\) Becker, “Correa, Indigenous Movements, and the Writing of a New Constitution in Ecuador.”
\(^{56}\) Becker, “The Stormy Relations between Rafael Correa and Social Movements in Ecuador.”
Furthermore, Ecuadorian social movements have not gotten candidates elected to Ecuador’s National Assembly, the unicameral legislative body. The 2009 general elections—the first under the new constitution—show the dearth of politicians representing social movements in the National Assembly. That year, AP won 57 of the 124 seats, almost 46%. Pachakutik, the political party most closely associated with a broad social movement, won only 4 seats, accounting for barely 3% of representatives (Appendixes 20 and 21 provide a breakdown of the Ecuadorian National Assembly in 2009). Unlike in Bolivia, Ecuadorian social movements have also not been an effective accountability mechanism on the Ecuadorian federal government.

Accountability

The other manner in which Bolivian social movements influence policy is by holding policy creators accountable for their policy decisions. This is accomplished through internal and external accountability mechanisms. Internally, the MAS controlled legislature holds the legislative keys to the Bolivian government, signaling to Morales that he cannot abandon MAS policies and still get his bills passed. Externally, the social movements that compose MAS’ base are still active, involved, and politically important. Through these mechanisms, Bolivian social movements hold Morales and the Bolivian government accountable.

Despite an increasing reliance on “government-initiated referendums” for policymaking, Morales still must account for the political will of the Bolivian legislature in order to get his policies passed, and as previously mentioned, the MAS movement has controlled a majority in

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58 European Union Electional Observership Mission.
the Bolivian legislature since 2005.\(^5^9\) Furthermore, since 2009, MAS has controlled two-thirds of legislative seats.\(^6^0\) Therefore, Morales’ ability to enact almost any legislation is contingent upon his ability to whip MAS votes. Although Morales is undoubtedly the most powerful politician in Bolivia, MAS’ control of congress gives MAS legislators power to influence Morales’ policy agenda. In truth, however, the legislature’s ability to hold Morales accountable is derived from the influence of social movements. Since MAS politicians are frequently the elected representatives of social movements, social movements can hold MAS politicians electorally accountable for their policies through elections and/or public protests. This provides MAS politicians an electoral incentive to hold Morales accountable for his policy actions. Thus, the influence of social movements prevents congress from passing Morales’ policies unless they conform with the social movement agenda.

One of the Bolivian social movements’ most effective accountability techniques is street protests. The \textit{gasolinazo} crisis in 2010 demonstrates the effectiveness of this form of accountability. On December 26, 2010, Morales unilaterally decided to eliminate subsidies on gas and diesel, raising the prices of these commodities by 73\% and 83\% respectively.\(^6^1\) Immediately, the social forces that brought Morales to power in 2005 turned against him. A broad coalition of social movements, largely mirroring the group that participated in the tumult from 2001-2005, took to the streets to voice their disapproval. Even the \textit{cocalero} movement, which Morales himself led for almost a decade, blocked a major highway leading to


\(^6^0\) Staff, “Evo Morales Wins Bolivian Election.”

Cochabamba. After almost a week of protests, Morales reversed his decision and reinstated the subsidies, bringing an end to the crisis. Analysts agree that this crisis damaged—however temporarily—Morales’ approval ratings. The gasolinazo crisis demonstrates that Bolivian social movements can influence policy by holding Morales accountable for his policy actions via public protests.

The two mechanisms that created accountability systems for Morales in Bolivia were absent in Ecuador: the Ecuadorian National Assembly served as a rubberstamp for Correa’s bills regardless of their ideological color, and the collapse of the Ecuadorian social movements prevented them from holding Correa accountable. As a result, Correa had far fewer checks on his power than does Morales.

Like Morales, Correa relied on a favorable congress to pass his policies. Yet, the distinctions between MAS and AP created very different dynamics between these presidents and their legislatures. In Bolivia, the MAS movement is accountable to its powerful social movement base. Understanding that their constituents demand ideological consistency, MAS politicians pressure Morales to sign progressive laws that reflect the social movements’ will. AP is not, however, accountable to a social movement base. Therefore, the AP controlled congress had no incentive to restrict Correa’s policy actions to those supported by a social movement. For example, in December 2015, the Ecuadorian National Assembly voted to approve a constitutional amendment removing presidential term limits, despite popular disapproval of the

62 Kraul.
The amendment passed because 100 out of the 108 legislators in the AP bloc voted for the measure, but all opposition lawmakers boycotted the vote. Although a national referendum conducted after Correa’s term finished repealed the amendment, this example illustrates the unwillingness of the AP controlled congress to hold Correa accountable. Following the 2013 elections that granted AP an absolute majority in the National Assembly, *The Economist* remarked that Correa still possessed “almost unfettered authority.” Correa’s lack of accountability to the National Assembly led some to label him a “caudillo president.”

The phenomenon that, perhaps, most significantly impacted Correa’s impunity is the decline of Ecuador’s social movements. The indigenous movement, the most powerful social movement in the country, is a shadow of its former self. Whereas in 2002, the indigenous movement possessed enough might to force a sitting president out of office, today, it faces political irrelevancy. Pachakutik, the political party for CONAIE, controls only four of the 137 seats in the National Assembly. Furthermore, CONAIE, once the most powerful civil society actor in Ecuador, has seen its influence dwindle. Former CONAIE president, Jorge Herrera, estimated that the organization had lost over 40% of its membership since 2007. This is not to say that the Ecuadorian indigenous movement, or Ecuadorian social movements in general, has disappeared, just that their ability to hold the government accountable has fallen. In 2009, social movements attempted to hold Correa accountable for a new mining law that disregarded

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66 “Ecuador Lifts Multiple Re-Election Ban.”
68 Fabian Espinosa, Interview with Fabian Espinosa, October 13, 2016.
constitutionally granted rights to clean air, water, and land. On January 12, 2009 nearly 4,000 indigenous protestors used the traditional *cortas de rutas* tactics and blocked an important highway, while almost 10,000 more protestors organized in Quito.\textsuperscript{71} Similar acts of protests caused Morales to reinstate the gas subsidies in 2011. Yet, in Ecuador, these social movement protests had the opposite impact; Correa responded harshly to the social movement, jailing protestors, calling the movement “infantile,” “childish,” and “allies of the right,” and putting the new mining law into effect.\textsuperscript{72}

Instead of holding Correa accountable for an action that ran contrary to social movement expectations, the 2009 protests precipitated a crackdown on civil society activity. By some estimates, Correa has jailed over 200 people who “participated in social movements for the defense of water rights and against the expansion of mining concession” and charged them with terrorism.\textsuperscript{73} Correa coupled the criminalization of dissent with a purge of non-governmental organizations (NGOs)—the traditional allies of social movements. Following the 2009 protests, Correa closed numerous NGOs that supported the social movement, including the Development Council of the Indigenous Nationalities and Peoples of Ecuador, and Acción Ecológica. Since Correa’s election in 2007, the number of NGOs in Ecuador has declined by 80.\textsuperscript{74} Because Ecuadorian social movements are not integrated into the country’s political system, they did not have the political clout, nor the political connections, to prevent the systematic suppression of social movements, civil society, and public protests.

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\textsuperscript{71} Dosh and Kligerman, “Correa vs. Social Movements.”
\textsuperscript{72} Dosh and Kligerman.
\textsuperscript{73} Harris and Roa-García, “Recent Waves of Water Governance.”
\textsuperscript{74} Fabian Espinosa, Interview with Fabian Espinosa.
Ability of Social Movements to Implement Constitutions

The ability of the Bolivian social movements to influence public policy by 1) creating policy, and; 2) holding other policy creators accountable allowed the movements to implement the policy requirements of the 2009 constitution. In terms of policy creation, the federal government, operating under social movements’ policy mandate, nationalized all water in the country. Moreover, utilizing accountability mechanisms, social movements have successfully resisted conservative calls—including another World Bank proposal—to re-privatize water services.75 While Bolivia faces serious water provision issues, privatization is not among them.

The same cannot be said of the water governance regime in Ecuador. The social movements that originally demanded the inclusion of a prohibition on water privatization in the 2008 constitution cannot influence public policy. The failure to implement said ban reflects this. Yet, this begs the question, why does the Ecuadorian social movements’ impotence result in an unimplemented ban on water privatization? In other words, even without social movement pressure, why would Correa not implement the ban on water privatization? After all, Correa endorsed the policy during his first presidential campaign and Correa’s party dominated the constituent assembly that wrote the ban on water privatization.76 The answer to this query is twofold: 1) despite his campaign rhetoric, Correa lacked ideological commitment to the ban on water privatization, and; 2) Correa appeased the urban elites in Guayaquil that desired the continuation of privatized water services.

As discussed on page 82, Correa’s proposal of a new water war that legalized some forms of water privatization shows that his initial support of the constitutional provision was a political stunt, not an ideological conviction. This is, however, only part of the puzzle. Correa also possessed a strong political incentive to ignore the constitutional ban on water privatization: his base demanded it. To be sure, the base that originally elected him, a broad coalition of left-leaning movements centered in the Oriente (east) and Sierra (mountain) regions of Ecuador, fervently opposed privatized water. In 2006, Correa relied on support from these regions for his election (appendix 22 is an electoral map of the 2006 presidential election).\(^77\) Aside from Quito and a fewer smaller cities, these regions are largely rural. Yet, by the 2009 presidential election—one year after the new constitution passed—Correa’s base had changed (appendix 23 is an electoral map of the 2009 presidential election).\(^78\) In just three years, Correa’s support shifted from the Oriente region to the Costa (coast) region.

As Correa’s electoral base transitioned from the Oriente to the Costa, it also transitioned from rural to urban. Guayaquil is in the Costa region that Correa won for the first time in 2009. This is especially significant considering the rural to urban migration pattern in Ecuador, where almost 65% of the country now lives in a city.\(^79\) This flow of migrants gave increased political importance to cities. Guayaquil is also one of three cities in Ecuador to still have privatized water—together with Samborondón, which Correa also won for the first time in 2009, and Machala (appendix 24 locates Guayaquil, Samborondón, and Machala on the 2009 electoral map). Although Correa won Machala in 2006 as well as in 2009, the percentage of votes he won

in the area nearly doubled in 2009. The 2013 presidential election shows that Correa’s electoral base permanently shifted to the Costa region, as Correa once again gained most of his support from the region (seen in appendix 25). The decline of social movements is likely related to this transition. Conceivably, as social movements lost political power they became less attractive political partners for Correa. This caused Correa to turn his political attention to the perennially powerful Costa region in an attempt to consolidate a new political base. This also explains why Correa could politically afford to suppress social movements: he no longer relied on rural, indigenous votes to get elected. Thus, the decline of social movements is both a cause and effect of the change to Correa’s base.

The relocation of Correa’s base has profound political implications. As already established, Correa was not accountable to Ecuadorian social movements because they were not integrated politically, he criminalized their protest tactics, and he was not reliant upon them for votes. Without social movements to hold him accountable, Correa attempted to appease the powerful economic elites in the Costa region, especially in Guayaquil, because he needed their votes. The failure of the Correa administration to advance the implementation of the constitutional ban on water privatization was a response to the political pressure exerted on Correa by the local elites in Guayaquil—the same elites that now formed his base. Correa’s new base held him accountable to their demands, including the preservation of private water services in Guayaquil. Harris and Roa-Garcia write: “some have explained the [continued privatization of Guayaquil’s water services] in terms of political influence of the city.” This influence is best understood as a combination of the financial influence possessed by the agro-exporting elite

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81 Harris and Roa-Garcia, “Recent Waves of Water Governance.”
centered in Guayaquil and the political influence wielded by the political elite in the city. Importantly, these two loci of influence function as a tandem: “The municipality acts as an administrator of the business that is done in the city; it achieves legitimacy and the support of the large companies, which fund the party and its electoral campaigns.”

Furthermore, the political power in the city is concentrated firmly in the hands of the Partido Social Cristiano (Social Christian Party; PSC), which has controlled the municipal government since 1992. Thus, the policies of the PSC in Guayaquil possess the full backing of the city’s economic and political elite.

The PSC firmly supports the continued privatization of Guayaquil’s water system. Jamie Nebot, PSC member and mayor of Guayaquil since 2000, was one of the largest advocates for the privatization of the city’s water systems in 2001. With the full force of Guayaquil’s economic and political elites behind him, and no social movement opposition, Nebot has successfully pressured Correa to keep Guayaquil’s water private. The political climate in Machala appears to mirror Guayaquil’s. Correa’s popularity soared in the city during the 2009 elections and it too is home to powerful agro-exporting elites. More research is, however, needed to fully understand the politically dynamics of Machala’s city government. The Samborondón private water contract is an outlier compared to Guayaquil and Machala’s—it serves only 11,000 people. Due to proximity, its fate is likely tied to Guayaquil’s water system.

This paper identifies why Ecuador did not replicate the policy feedback loop that resulted in Bolivia implementing its constitutional ban on water privatization—the decline of social

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83 Silva.
84 Whitehead, “Ecuadorians Tired of Waiting for a Cleanup of Guayaquil’s Filthy Waters.”
85 Hall and Lobina, “Water Privatisation in Latin America, 2002.”
movements, caused by a lack of political integration and compounded by Correa’s repressive policies, led to Correa’s lack of accountability to social movements, which in turn precipitated his shift to a new electoral base. This framework adeptly explains the continued existence of a private water system in Guayaquil and, given addition research, would likely explain the perseverance of Samborondón and Machala’s private water contracts.
Chapter VIII: Conclusion

In Bolivia, the comprehensiveness of the 20th century neoliberal decentralization policies sparked a policy feedback loop that, ironically, resulted in social movement politicians undermining neoliberal policies, including ending the privatization of Bolivia’s water. No such feedback loop existed in Ecuador; despite attempts at decentralization, Ecuadorian social movements remained largely alienated from the formal political process at the start of the 21st century. Nevertheless, social movements remained politically vocal, if not politically influential, in Ecuador. They were especially vocal about the neoliberal tendencies of Rafael Correa. After a tepid alliance with Correa in the 2006 elections, social movements quickly saw through his progressive veneer. Viewing them as a political threat—after all, they had toppled two successive presidents—Correa suppressed social movements by criminalizing dissent and ostracizing them from the political process. Free from the accountability measures imposed on Morales by Bolivian social movements, Correa shifted his political base to the coastal region. By changing his political base, Correa exposed himself to the political pressure exerted by the coastal elites and became accountable to them. Maintaining privatized water service in Guayaquil was a key demand of these elites.

The political processes behind the divergent water governance outcomes of the Ecuadorian and Bolivian constitutional bans on water privatization weave together economic policy, social movement action, political machinations, and shifting political landscapes. Remarkably, the answer to a question regarding water governance has little to do with water policy itself. Instead, the different water governance outcomes reflect broader, systemic, processes in each country, not just the codified constitutional water policy.
The ramifications of this research for Ecuador and Bolivia are surmised in two questions: what the identification of these political processes tells one about the future of: 1) social movements in Bolivian and Ecuadorian politics; 2) water governance in Bolivia and Ecuador.

Social Movements in Politics

Evo Morales’ continued political success represents a large political victory for Bolivian social movements. Yet, he is simultaneously the largest threat to social movement influence in Bolivian politics. To date, the accountability mechanisms operated by social movements in Bolivia have held Morales accountable for his policy actions. Nevertheless, Morales wields tremendous political power. Recently, opponents of Morales have accused the president of further consolidating his power. For example, a 2017 ruling by Bolivia’s Constitutional Tribunal, the highest constitutional court in the country, lifted the constitutional restrictions on term limits, permitting Morales to run for a fourth presidential term in 2019.1 Critics have labeled this move a “blow to democracy” and argue that it illustrates Morales’ increasingly authoritarian nature. Especially disturbing is that the Constitutional Tribunal ruling superseded a popular referendum on the matter that affirmed term limits.2 This indicates that the power of social movements, and the Bolivian people, to influence policy via demonstrations of the public will—be it protests or referendums—may be decreasing. There is, however, important nuance to this picture that complicates the notion that Morales has become authoritarian. Not only was the vote in the popular referendum to affirm term limits incredibly close (51% to 49%), showing the deep

division on the issue among the Bolivian people, but the Constitutional Tribunal is also popularly elected. Thus, it is unclear what does and does not reflect the popular will of the Bolivian people.³

I believe it is too early to discern if Morales will fall into the caudillo model of Latin American presidents, although an unprecedented fourth term is troubling. If Morales does turn authoritarian, the influence of social movements would be severely diminished. That being said, Morales has not implemented measures to criminalize social movement protests like Correa did in Ecuador. Optimistically, this indicates Morales’ continued commitment to emphasizing social movement voices in Bolivian politics.

Social movements in Ecuador face significant institutional challenges. The current president, Lenin Moreno, is a weak ally at best and a political foe at worst. It is true that he has made overtures to indigenous groups since his election, but he has also appealed to conservative business interests.⁴ Furthermore, Pachakutik still only controls four seats in the National Assembly and social movement candidates are not successful in local elections.⁵ Social movements must first reorganize at the local level before they can successfully influence national politics. While the vestiges of a political infrastructure exist for these movements, they face a tough battle to regain prominence. Although time consuming and laborious, the Bolivian model of integrating into local politics is likely the best way forward for Ecuadorian social movements. This approach resigns these social movements to several election cycles of limited influence.

Without this approach, however, Ecuadorian social movements may perpetually reside outside the formal political system, which, as we’ve seen, hampers their capacity to influence politics.

**Water Governance in Ecuador and Bolivia**

The successful implementation of Bolivia’s constitutional ban on water privatization should not obscure other water governance issues. Several researchers have pointed out that the implementation of other aspects of the constitution—namely, provisions concerning public input in Bolivian water governance—has been partial at best. Moreover, the nationalization of Bolivia’s water systems has had negative consequences as well. To this day, the public water provider in Cochabamba is mired in complaints over poor performance, demonstrating that the implementation of the constitution should not be equated with fixing all issues with urban water provision. Importantly, environmental factors have only exacerbated the tensions over water governance in Bolivia. Last year, Bolivia experienced its worst drought in 30 years, forcing the federal government to declare a state of emergency and temporarily halt public water provision in El Alto/La Paz. This demonstrates that water governance will likely continue to be a salient issue in Bolivian politics. Hopefully, social movements will continue to shape water governance policies.

Water governance may not stay in the political limelight in Ecuador. Without real social movement pressure to discuss the issue, the current administration is unlikely to make water governance a hot button issue. Since Moreno’s 2017 base mirrored Correa’s 2013 base (centered

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on the Costa region), and he has already pandered to corporate interests, the private water concessions in Guayaquil, Machala and Samborondón will probably survive his administration.

**Water Governance Worldwide**

Today, over 844 million people do not have access to clean water.\(^9\) This appalling statistic emphasizes the need to develop, enact, and implement water policies that distribute water both effectively and equitably. For too long, the international community, and most national governments, have poured their resources into crafting and passing water policies without focusing on what happens after the policies are passed. The implementation stage of water governance has suffered from a lack of policy and academic attention. The result are water policies like the 2008 Ecuadorian constitution that, on paper, dramatically transform water governance but, in reality, are never put into action.

This thesis attempts to fill the gap in the implementation of water governance literature. Its main contribution—that social movements can shape water governance, but only if the social movements are integrated politically—has implications beyond the Ecuadorian and Bolivian contexts. Currently, anti-water privatization movements have mobilizing in several Latin American countries, including Chile and Mexico.\(^10\) These movements should turn their attention to the lessons taught by the Ecuadorian and Bolivian movements against water privatization. Both the Ecuadorian and Bolivian movements achieved the major victory of passing constitutional bans. Yet, only the Bolivian movements achieved the ultimate goal of eliminating all private water services. While the domestic dynamics—including the relationship between the government and social movements—are different in every country, movements fighting against

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\(^9\) “Facts and Statistics | WaterAid Global.”

water privatization in Latin America, and the world, should recognize that passing a constitutional ban is small consolation if the ban is not implemented.

The blueprint for implementing a constitutional ban offered by Bolivian social movements is, however, challenging to follow. After all, its success relied on decades of slow political integration at the local level. Nevertheless, three main lessons can be learned by comparing the Ecuadorian and Bolivian constitutional bans on water privatization: 1) organization matters; 2) electoral politics trump protest politics, and; 3) partnerships are fragile.

Distilling the discrepancies between Bolivian and Ecuadorian social movements to differences in organization is simplistic. Yet, organization undeniably played a part in the collapse of Ecuadorian social movements, while Bolivian social movements have used strong organizational structures to become powerful political actors. CONAIE, once the most influential civil society organization in Ecuador, suffered an organizational disaster following the decision to back president Gutierrez in 2002. In fact, a former CONAIE president also ran for president of Ecuador in that election, but the CONAIE leadership decided to support Gutierrez instead. This, coupled with Gutierrez’s betrayal, splintered CONAIE and drove many members of the organization away from the group. After Correa proved sympathetic to neoliberalism and further ostracized CONAIE from politics, CONAIE permanently lost its political influence. MAS, on the other hand, has maintained a strong organizational structure throughout the tenure of Morales. MAS has effectively changed its organizational structure to encapsulate new constituencies as the political movement/party has grown. This has enabled MAS to solidify its

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11 Clark and Becker, *Highland Indians and the State in Modern Ecuador.*
position as the largest and most influential party in Bolivia. A strong organizational structure is crucial to maintaining political influence.

Social movements that possess strong organizational structures might, however, still opt to pursue protest politics instead of party politics. The examples of Ecuador and Bolivia prove this to be a mistake. While protest politics may succeed in removing elected officials, even presidents, it may not catalyze long-term change. Protest politics removed several successive presidents in both Ecuador and Bolivia in the beginning of the 21st century. In both countries, the first president that was removed was followed by another president in the same ideological mold as the previous. Social movements in each country succeeded in removing a president but failed to transform the presidency. This changed in Bolivia when social movements elected a president that fundamentally altered the Bolivian political landscape. Since Ecuadorian social movements have failed to do this, the country has been governed by over 40 years of neoliberal presidents promoting the same policies—despite their “success” with protest politics.

While participating in electoral politics is more conducive to long-term success for social movements, the movements should be wary of political partnerships. Ecuadorian social movements have been burned by two successive partnerships with presidential candidates. The first betrayal, by Gutierrez, left Ecuadorian social movements severely weakened. Although the partnership with Correa was always partial, Correa’s conservatism has left social movements without a political ally. Instead of partnering with Gutierrez and Correa, Ecuadorian social movements may well have been better suited if they concentrated their political capital on their own candidates. Bolivian social movements used this tactic to great success.

The social movements fighting against water privatization in Latin America and the world understand two crucial concepts that impact water policy: that water is life, and that we
must create policies to protect it—after all, “el agua es vida: cuidala.” This thesis hopes to provide social movements with the tools to implement those policies and create efficient and equitable distribution of water.
Bibliography


Fabian Espinosa. Interview with Fabian Espinosa, October 13, 2016.


Food, Water Watch Headquarters 1616 P. Street, NW, Washington, and DC 20036 Main: 202 683 2500

Contact your regional office Work with us: See all job openings. “Thousands March Against


Interview with CONFENAIE. Email, October 21, 2017.


Appendices

2. Overlap: water privatization

3. Sabatier’s Policy Creation Model
4. Policy Creation Model Adapted to Ecuadorian/Bolivian Context

5. Overlap: Water Governance
6. Overlap: Social Movements Created in Response to Water Governance

![Diagram showing overlap of Hydropolitics, Neoliberalism, Social Movements, and Governmental Structures with a red star indicating the intersection]

7. Anti-American graffiti reading “Gringos Out.”

![Photo of graffiti with the text "FUERA LOS GRINGOS"]

Howard Yanes/AP

8. Peruvian woman holding sign reading “Get out IMF and World Bank.”

9. Thousands gather in Quito to protest the passage of a new pro-privatization water law.

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10. Indigenous protestors in El Alto, Bolivia.\textsuperscript{16}

11. Language pertaining to the privatization of water in the Ecuadorian and Bolivian constitutions.\textsuperscript{17}

<table>
<thead>
<tr>
<th>Country</th>
<th>Year of Constitution</th>
<th>Language related to privatization of water</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ecuador</td>
<td>2008</td>
<td>– Article 12: “The human right to water is a fundamental and inalienable one…” Article 314: “The State will be responsible of the provision of the public services of potable water and irrigation…” Article 318: “Water is…is a vital element for nature and human existence. Any form of water privatization is forbidden.” “Potable</td>
</tr>
</tbody>
</table>


\textsuperscript{17} Harris and Roa-Garcia, “Recent Waves of Water Governance.”
<table>
<thead>
<tr>
<th>Bolivia</th>
<th>2009</th>
</tr>
</thead>
</table>
| Article 20: ‘‘I. All persons have the right to universal and fair access to the basic services of potable water, sewerage, ...’’
| ‘‘II. The provision of basic services is the responsibility of the State, at all its levels, though public, mixed, cooperative, or community entities’’
| ‘‘III. Access to water and sewerage are human rights, they cannot be privatized or given in concession...’’
| Article 373: Water cannot be privately appropriated, and services cannot be granted through concessions. |

12. Illustration of the point of rupture in the Ecuadorian policy creation model
13. Table summarizing evaluated hypotheses.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Ecuador</th>
<th>Bolivia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governmental Structures</td>
<td>- Established SENAGUA</td>
<td>- Established MMAyA</td>
</tr>
<tr>
<td></td>
<td>- Homogenized water laws</td>
<td>- Established Agricultural-Environmental Court</td>
</tr>
<tr>
<td></td>
<td>- Reduced community autonomy over natural resources</td>
<td>- Homogenized water laws</td>
</tr>
<tr>
<td></td>
<td><strong>Conclusion:</strong> Inoperative because structures are very similar</td>
<td>- Reduced community autonomy over natural resources</td>
</tr>
<tr>
<td>Governmental Actors</td>
<td>- Correa not a member of a social movement</td>
<td>- Morales member of a social movement</td>
</tr>
<tr>
<td></td>
<td>- Weak commitment to anti-privatization project</td>
<td>- Strong commitment to anti-privatization project</td>
</tr>
<tr>
<td></td>
<td><strong>Conclusion:</strong> Operative but doesn’t explain why the actors are different in each country</td>
<td></td>
</tr>
<tr>
<td>Social Movements</td>
<td>- AP not founded by social movement actors</td>
<td>- MAS’ origins are as a social movement</td>
</tr>
<tr>
<td></td>
<td>- Political dominance of AP relegates social movements to peripheral roles</td>
<td>- MAS gives social movements a political voice</td>
</tr>
<tr>
<td></td>
<td>- Social movements not politically integrated</td>
<td>- Social movements deeply politically integrated</td>
</tr>
<tr>
<td></td>
<td><strong>Conclusion:</strong> Operative but doesn’t explain how social movements impact water governance</td>
<td></td>
</tr>
<tr>
<td>International Influence</td>
<td>- IDB made loan dependent upon privatization of Guayaquil’s water system</td>
<td>- World Bank eliminated Bolivian debt because of privatization of Cochabamba’s water system</td>
</tr>
<tr>
<td></td>
<td><strong>Conclusion:</strong> Inoperative because international community pressured Bolivia more than Ecuador</td>
<td>- Bechtel sued Bolivia for loss of future earnings after cancellation of Cochabamba contract</td>
</tr>
</tbody>
</table>
| **Local Politics** | - Shifts point of rupture in policy creation model to the implementation by local actor’s stage
- Evidence of strong top-down pressure to maintain private water | - Local politics only explains why Ecuador failed, not why Bolivia succeeded |

**Conclusion:** Inoperative because ban never progressed to implementation stage

| **Policy Creators** | - Social movements not electorally represented and cannot create policy | - Social movements able to create policy through elected representatives |

**Conclusion:** Operative because ability to create policy differs dramatically between the two countries

| **Accountability** | - Correa no longer relies on social movements for votes
- Correa has criminalized dissent, reducing the efficacy of protests | - Social movements hold Morales and MAS accountable through
  - Elections
  - Protests
- Both techniques have been proven effective |

**Conclusion:** Operative because social movements cannot hold Correa accountable
14. The Bolivian congress after the 2005 elections. Graphic reproduced.18

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18 “The Bolivia Information Forum.”
15. Distribution of Quechua peoples in Bolivia from the 2001 national census.¹⁹

16. Distribution of Aymara peoples in Bolivia from the 2001 national census.

DISTRIBUCIÓN DE LOS AYMARAS POR MUNICIPIOS
(CENSO NACIONAL 2001)

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20 Nuvba.
17. Electoral map of 2005 Bolivian presidential election.21

Presidential Election, 2005

Electoral map of 2005 Bolivian presidential election.

Evo Morales
- >80%
- 70% - 80%
- 60% - 70%
- 50% - 60%
- 40% - 50%
- <40%

Jorge Quiroga
- >60%
- 50% - 60%
- 40% - 50%
- <40%

18. Electoral map of 2009 Bolivian presidential election.²²

Bolivian Presidential Election 2009

19. Electoral map of 2016 vote on constitutional amendment to abolish presidential term limits.\textsuperscript{23}


![Number of Seats in National Assembly Controlled After 2009 Elections]

21. Additional detail on the 33 seats controlled by smaller political parties. Original Graphic
22. An electoral map of the 2006 presidential election showing the provinces won by each candidate. Not original graphic.

*Presidential Election, 2006*
Second Round

- **CORREA**
- **NOBOA**

Rafael Correa 57%
Alvaro Noboa 43%

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24 “Ecuador. Presidential Election 2006 | Electoral Geography 2.0.”
23. An electoral map of the 2009 presidential election showing the provinces won by each candidate. Not original graphic.25

26. An electoral map of the 2013 presidential election showing the provinces won by each candidate. Not original graphic.26

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