

INTERVIEW
PUBLIC-COMMUNITY PARTNERSHIPS
IN PERU AND URUGUAY

*Philipp Terhorst talks to Alicia Araujo, Luis Isarra and Adriana Marquisio
from the Platform for Public-Community Partnerships of the Americas,
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The political circumstances and politics of water services in Uruguay and Peru are very different. In Peru, water privatisation is still high on the political agenda whereas in Uruguay the public character of water services has been inserted into the national constitution by public referendum. Nevertheless, the struggles for water have been and remain similar and have, amongst other things, a common vision. This vision for public-community partnerships brings trade unions and water utility (managers) together on a shared platform. In this interview, three representatives of member organisations of the **Platform for Public-Community Partnerships of the Americas** share their experiences, visions and expectations for public-community partnerships.

Alicia Araujo is the vice-president of the state-owned national utility Administración de las Obras Sanitarias del Estado (OSE), which provides water and sewer services to all of Uruguay with the exception of the capital, Montevideo, where the municipality provides sewerage and OSE provides water services only.

Adriana Marquisio was the president of the Federation of Functionaries of OSE (FFOSE), the unitary trade union of the public utility, between 2004 and 2010.

Luis Isarra is the general secretary of the National Water and Sanitation Workers' Federation of Peru (FENTAP).

Philipp Terhorst is coordinator of the Platform for Public-Community Partnerships of the Americas. He has a Doctorate from the Water Engineering and Development Centre at Loughborough University, and his fields of study are social movements and alternatives to privatisation.

What are the struggles for water in Peru?

Luis

The last two years have been years of intense struggle to defend water and utilities. Foremost among these struggles is that of the workers and people of Huacho, capital of Huaura Province in central Peru, who have blocked the privatisation of the municipal water company. There have been many other local struggles, such as the resistance of workers in the cities of Cajamarca and Piura, and the struggles against outsourcing in Chiclayo and Trujillo. Importantly, this privatisation process happens despite the fact that most of the Peruvian population increasingly expresses the need to defend public companies and utilities. In early 2010, the water dispute was at the centre of the country's agenda which led to socio-environmental conflicts and strong resistance from the people in defence of water.

After the successful referendum (2004) on the human right to water, is the situation in Uruguay very different from Peru?

Alicia

The reform of the Constitution of the Eastern Republic of Uruguay declared water and sanitation a fundamental human right and established water firmly in the public domain. The constitution assures Obras Sanitarias del Estado (OSE) the status of national public service operator that has to give precedence to social objectives over economic ones. Historically, the Uruguayan case is a model for managing water supply systems and sanitation through public networks organised at national level. It is an example that should be taken into

account in the global discussion on the principles, management models and tools with which to best meet the Millennium Development Goals on water and sanitation, and go even further.

What role do the public-community partnerships play in technical and political proposals in Peru?

Luis

We believe that the involvement of Peruvian society, and especially organised civil society (workers and people), is essential to formulate a new proposal for public water companies. It is also essential to have a new vision for natural resources. Water is a human right, a public service and an ecological good. In this sense, our proposal for Public-Public-Community Partnerships is an alternative tool to counter privatisation. Management, unions, workers, regional governments and municipalities will all participate with the aim of increasing knowledge and skills, identifying problems, finding solutions and implementing the chosen strategies. Trade unions, in addition to defending workers' rights, will also be a strong voice for the demands of the people. But we have campaigned for and promoted public-public partnerships to the top of the national agenda country, and we have already gained some experience and started some projects.

Alicia

For many years, the public water and sanitation sector has been severely criticised for its inefficiency and this has served as an argument to promote privatisation in several countries in America and the rest of the world. It remains a major challenge to build a strong, efficient, effective and participatory public enterprise

where the community is part of the planning, management and control. PUPs are technical and political tools whose main objectives are the improvement, consolidation and sustainability of the public sector as an alternative to privatisation, and as a public management model without a private or business orientation.

Adriana

Of course, it is a major challenge for workers to be prepared and organised in order to build a strong, efficient, effective and participatory public sector, where the community is part of management planning and control.

Speaking of workers in Uruguay, what strategic vision for PUPs does your organisation have?

Adriana

For our struggle in FFOSE and the results we seek in OSE, the defence of a public model of participation is our main goal, while also thinking beyond our own country. Workers have internalised this concept to a certain extent but, as in other cases, it is a process, since what is not directly visible is not understood or defended. Therefore, we have discussed this topic in our union structures, and we run workshops and conferences with the aim of incorporating this process into our organisation. While it is a distant issue from the day to day lives of the workers, this line of work is part of the plan of action for FFOSE's national union congress.

In FFOSE today we have a new generation that has taken up the issue with great interest, and we intend to strengthen their training to commit to the strategic objective. OSE has made a strong push towards international cooperation, incorporating in the process aspects of the Platform and the traditional public model of OSE. We workers understand OSE as a process towards permanent change and that these two

visions will join up until we achieve the institutionalisation of a single vision and strategy.

Why have you created the Platform for Public-Community Partnerships of the Americas?

Adriana

In FFOSE, we have created the vision of this Platform because we have much to learn about community management and participation and in turn we can share our experiences. We believe that exchange is essential to grow as a public sector, from the perspective of workers and from management.

Alicia

Because of the historical and political decisions of the population in the national water referendum, OSE decided to join the Platform, which we see as being in line with our national and international actions.

Luis

Importantly, the sanitation sector in Peru has been the subject of three offensives for privatisation over the past 19 years. Today, with the failure of privatisation, the government has opted for the outsourcing of the core activities of the public enterprises. The current offensive is being developed with the current government (2006-2010), which has sparked two separate plans for privatisation of natural resources (including water) and public enterprises (which also includes water). It has been the resistance and the mobilisation of workers and peoples of Peru which ensured that most water companies are not privatised. In other words, by generating a significant social movement the privatisation of public enterprises (including water) was stopped.

And it is in this context of struggle, mobilisation and grassroots movements that FENTAP took the decision to formulate an alternative to privatisation. It planned to build an alternative experience of public-public partnerships in the city of Huancayo, between the municipal water and sanitation utility SEDAM Huancayo S.A. (Empresa de Servicios de Agua Potable y Alcantarillado Municipal de Huancayo - SEDAM HUANCAYO) and ABSA (Aguas Bonaerenses S.A) from Greater Buenos Aires, Argentina. As a first experiment, it was aimed at opening an alternative process in the country. This is an ongoing process that leaves us with positive lessons and also shows difficulties to be overcome in future work.

What are the expectations in Uruguay?

Alicia

We believe in solidarity-based exchange of expertise and organisational knowledge among the people, respecting the individual processes of our counterparts. We are committed to building networks of exchange and support and understand these as being powerful tools among actors with common goals and values. It is with this expectation that we participated in the Platform.

Adriana

FFOSE is a co-founder of the Platform. We participated because we believe it is the way, through trial and error, and that there is no other way to enforce the rights to water. My expectation is that in a few years this system will be adopted in more countries, and that national and international public funds will be directed to facilitate these processes, assuming you do not need much money to build systems for people on the American continent and elsewhere. We hope to promote the principles of the Platform,

understanding that similar experiences are simultaneously being developed in other continents and countries. Only the recovery of values, the strengthening of relations and exchange of knowledge will achieve the goal.

Luis, what PUP project does FENTAP promote? What results have there been?

Luis

We have signed three framework agreements. The first, between SEDAMHUANCAYO and ABSA in Huancayo, has been stalled by lack of political will by the companies. The second was in Arequipa between SEDAPAR (Servicio Agua Potable y Alcantarillado de Arequipa) and ABSA, which awaits the signing of specific agreements on the exchange of experiences. Thirdly, and most recently, there is the framework agreement between the SEDA CUSCO (Empresa Agua Potable y Alcantarillado del Cusco) and OSE in Uruguay. In this last case we have been working towards the actual implementation of the PUP.

The project in Huancayo has been stalled because of the lack of political will of the companies, although we must say clearly that it has helped to stop the privatisation! What could not be implemented, however, was the technical proposal to improve potable water service that the engineers of ABSA had developed. Neither the water company board nor the management are capable, of implementing the project, because they cannot personally profit financially, so they do not care. All of this is compounded by the central government's privatisation policy, which has been providing huge amounts of money to achieve privatisation arrangements.

Given the experience in Huancayo, what are the key lessons?

Luis

Lessons we can take away are that it is not only down to the PUP framework agreement, signed by the authorities, but they must be convinced that the step taken with the signing of the agreement will strengthen the water utilities. For example there must be clear political support from the different levels of government and the company's management.

Also, it takes the collective wills of the authorities, users, workers and social organisations in each of the regions that are convinced that public can work.

What experiences have you had with PUPs in Uruguay?

Adriana

We in FFOSE have led some pilot projects such as the one between OSE and the water cooperative APOS (Agua de Potosí) from Potosí (Bolivia) or with the water company SEDACUSCO in Peru, but also from OSE itself there have been initiatives, for example in Cuba, Benin, Paraguay and more recently in Ecuador. In the cases of Paraguay, Cuba, Ecuador and Benin it was OSE, the public enterprise, which prepared the contacts and all are underway in the form of concrete exchanges. In the case of Benin, the process was coordinated by CNDAV (National Commission for the Defense of Water and Life – the social movement organisation that promoted the national water referendum) but that did not result in the execution of work.

In the case of APOS - Potosi, which we started in FFOSE, progress was made in coordinating the

first exchanges and a diagnosis. But during the process there was a change of APOS company director and the agreement was stalled. In addition, the technician sent by OSE to Potosi found some other critical issues and included them in their report. But these were not part of the initial exchange agreement and that also complicated and stopped the process. Our Bolivian counterpart in coordinating this project was the "Coordinadora" for Water and Life from Cochabamba. In the final stage they suggested we close the case.

We believe that learning from these experiences shows us that we really need to involve workers more through the union and the community in PUPs. Also, we understand that the integration of all stakeholders is required, and this needs clarity and precision to strengthen trust. The pilot projects are always the products of local cultural, social and political realities.

What other lessons have been learned?

Alicia

The political programme of both the Uruguayan Government as much as OSE, has been consistent in maintaining an active role in all matters related to the international role Uruguay can play in achieving the goal that people have access to safe water and sanitation. But there have been difficulties in the internal organisation of OSE and meeting the specific demands that emerge with PUP projects; for example, offering advice or requesting different types of international aid. That is why OSE is currently implementing a legal structure that allows us to manage all our international relations related to PUPs.

Adriana

Like any new process outside the day-to-day work, this process requires a special effort to promote, so our experience in OSE and FFOSE of having a team promoting its implementation is, I think, vital. This means the phase of implementation of PUP agreements requires a working group of two to three people dedicated to the process in each company. This is so that you can get started, and keep monitoring and evaluating the agreement. Without these conditions it is very difficult to keep continuity because the social organisations in which we as workers and citizens are organised may support and promote the PUP politically but specific resources are needed to maintain daily work. In the case of Uruguay, the definition cooperation between FFOSE and OSE (union and public company) has created a common area and from there it works.

FENTAP and OSE / FFOSE have launched a project with SEDA-Cusco. What are the challenges and difficulties?

Luis

We have achieved the signing of a managerial and technical cooperation agreement between the municipal company SEDACUSCO and the national water company OSE of the Eastern Republic of Uruguay. And it is important to note that this was achieved, beyond some small difficulties, through the synergy of all stakeholders. The Framework Convention was signed in the city of Cusco, historic cradle of the Andean people and capital of the land of Tupac Amaru, on Monday, April 26, 2010. This convention was signed between SEDACUSCO, represented by its General Manager Jesús Guzmán Arch Villenas, and OSE, represented by its General Manager, Dr Daoiz Uriarte.

In addition to these concrete and positive synergies, it is also essential to recognise that this experience can only acquire sustainability if we are able – at the same time - to open a political-social process, where workers, the population and the respective union organisations manage to play a strong leadership role and take initiative. Moreover, it is only possible if we postulate a position that seeks to promote public water companies as a concrete alternative to the current government policy that seeks to privatise through Public-Private Partnerships.

Apart from agreements between companies, the Platform is also concerned with regional water policy. How is the WOP-LAC (Water Operators Partnership – Latin America and Caribbean) to be viewed from the union point of view?

Adriana

OSE is engaged in this process and in our Platform, so we believe it is important that there is a debate within the United Nations given that it is a regional platform to promote principles similar to those of the Platform. The only principle that separates the two platforms is inclusiveness, applied to the private sector, as our concept of PUPs does not enable private sector involvement.

We are not saying that private management is promoted in WOP-LAC, but that in this context the private sector has more advantage from an economic point of view to make public-private partnerships in less time and with fewer requirements. We should bear in mind that public law is much more bureaucratic than private law, which does not mean efficiency or effectiveness, but more mobility and speed than in regulatory processes under public law.

That is the main obstacle in the design of the WOP-LAC, but we have come to the conclusion that if we as a Platform can quickly move forward with agreements under our principles of the PUPs, or the ones of the Spanish Association of Public Water and Sanitation Operators AEPOAS, WOP - LAC will support results of access to water and sanitation.

What project or proposal does OSE have in respect to GWOPA (Global Water Operators Partnership) and WOP-LAC?

Alicia

OSE plans to hold an event under the WOP-LAC, probably next year - but only with public operators. This is under construction by the general manager of OSE and is related to the global GWOPA. It will be a challenge for the coming months to see whether this will be realised under the header of the PUP Platform or will remain under WOP-LAC and GWOPA. But all this is still at an early stage.