

From Unnatural Flows to Neoliberal Ruptures: Manufacturing Disaster and the New Role of the State in Bolivia

In the twenty-first century, wars are as likely to be fought over water as they are over oil. While oil has always held the specter of hope for national economic development through gas rents or oil concessions (Watts 2004; Gustafson 2010), water has never held the same kind of possibilities for state-based reterritorializing agendas. Water has almost always been linked to highly localized struggles over communal rights and indigenous identity (Perrault 2005, 2006). In the aftermath of destructive economic policies of market liberalization and privatization and new threats of ecological shift caused by global warming, however, water has turned into the new oil, a focal point of national and international attention. The world is facing an acute water crisis, and scientists predict that in the next 50 years, portions of the globe will lose access to this vital resource. Confronting this issue in the near-term is the small, landlocked country of Bolivia, which is reliant on rapidly-shrinking glaciers for much of its water supply.¹ Although countries like Bolivia will be the first to experience the effects of rapid climate change, they are financially underprepared and structurally too weak to either plan for or address the aftershocks of such scarcity.

In this paper, I trace global “interconnections” through the flow of dollars and new knowledge networks related to climate change and water scarcity, which travel from the global North to South. In the tradition of Ana Tsing (2005), I will trace how these flows do not just move in a unidirectional form, but rather mix with local understandings of poverty and development, and create friction and disjunctures along the way. The residue of neoliberalism—the economic, cultural, and social policies it left in its wake—now define the emergent responses

¹ Bolivia contains 20% of the world’s tropical glaciers, which have been in retreat for the last several decades; the smallest of them are expected to disappear within the next several years. These high altitude glaciers play a critical role in buffering the dry season water supply to the colonial city of La Paz and its primarily indigenous and impoverished satellite, El Alto, affecting a combined population of nearly two million people.

to the imminent water crisis. Due to the hollowing out of the state, multinational actors, international and national NGOs, and even local residents in areas like El Alto and La Paz function as independent, self-regulating governing bodies. Each of these groups has at one time or another come forward with free market proposals for (a) quick fix solutions through the construction of large-scale dams, (b) a renewed focus on self-help and empowerment that transposes structural problems onto individuals, and (c) regional and territorial claims for autonomy, which emboldened residents to solve problems independent of the state and of one another. These stale prescriptions for political and economic renewal did not solve the economic problems in the 1980s, nor will they resolve the ecological crises of the 2010s. Most of these proposals are built on shaky foundations of old conflict failure. Equally important, this decayed base of neoliberal policy and nostrum can only provide scaffolding for what will aggravate, not ameliorate, potential environmental disaster.

In this section, I address a critical conference theme, the increasing influence of transnational actors on various levels of state practice. In the study that I recently conducted, one proposed solution to the water crisis was the construction of new dams and diversion projects to capture, contain, and reroute what is left of the glacier melt. With funds from the World Bank, such projects are often capital-intensive, consuming large portions of governmental resources to restructure national laws regarding resource control and territorial bounds (Goldman 2005). This rewriting of national laws and regulation in the interest of large-scale development schemes has come with environmental, social, and human costs, as dams have disrupted natural habitats, reduced biodiversity, and displaced communities.

World Bank agendas effectively redesigned national legislation to protect transnational interests, but often failed to shield the affected nations in the long term. In a similar vein, dam

building does not represent a sustainable, effective structural solution, but merely a way to buy time. Within the same logic of IMF loans in the 1980s, which were given to debt-strapped nations to allow them to pull themselves out of crisis by infusing markets with cash flows and new opportunities for trade, international actors now argue that dams will provide new water sources and, in turn, opportunities for preserving scarce resources. Capturing the remaining water, however, neither provides the necessary infrastructure, nor does it stimulate a search for new water sources, refurbish existing infrastructure, or reduce waste and loss. It simply creates a cover—much like a landfill, which contains toxic garbage—and produces the illusion of abundance for a period of time, blinding people to the broader environmental problems lying ahead for Bolivia. For as long as water flows temporarily, residents will remain focused on the short term, rather than on the threat of the mid- and long-term crisis, which, if left unchecked, will inevitably come to pass.

The result of the short-term IMF loans was not a “rising tide that lifted all boats out of poverty,” but rather intensified economic crisis that eventually led to resistance. By the end of the 1990s, a number of groups in Bolivia had cohered into a movement to resist neoliberal policy, which intended to capitalize public assets and allocate elemental resources on the basis of market dynamics of supply and demand. Unsurprisingly, the resultant pricing structures threatened to create ever greater scarcity of resources for the poorest populations. Consequently, from Cochabamba to El Alto, residents took to the streets and reclaimed the public water supply from transnational corporations. Concurrently, resource politics fueled discussions about redefining the nation-state, rewriting the constitution, and rethinking trade agreements with the IMF and the World Bank. Within this context of radical resource politics, Evo Morales rose to power and won the Presidential election of 2005. However, although these popular protests

sparked discussions about substantive economic change, three decades of destructive economic policies have lodged Bolivia in the tight grip of international investment dollars dedicated to new projects for extractive industries and large-scale development schemes with false presumptions of rapid economic growth. The application of such infrastructural solutions to the problems of ecological shifts and water scarcity will likely gain symbolic results at best. By consuming much of their resources and deflecting attention away from the complex planning demands of the state, such IMF and World Bank projects could potentially pave the way for devastating outcomes.

Recently, ethnographers have used Foucault's understanding of power and the concept of governmentality to understand new forms of rule or authority associated with the spread of a neoliberal development knowledge and logic (see Ferguson 1990, 2006; Escobar 1995; Gill 2000; Paley 2001; Ong 2006; Gustafson 2009). Governmentality refers to a form of power that circulates through the inculcation of discourses and routines aimed at promoting individualizing, autonomous self-regulation rather than centralized state control (Gustafson 2009). This took a variety of shapes in the 1990s, from localized projects to build schools and infrastructure to micro-lending schemes. Such developmentalist ideas and knowledge are now being repackaged to address climate change and water scarcity.

A second critical theme associated with the emergent ecological crisis is how money and knowledge are flowing to regions that will be most affected by water scarcity. While the movement of global capital through the World Bank defined the kinds of infrastructural and environmental manipulations necessary to deal with rapid climate change, other kinds of capital flows shape new development projects focused on adaptation or individualized solutions to ecological shifts. For example, a recent report by Oxfam suggested that “[we] must reshape development goals in order to respond to the impact of actual or anticipated climate change”

(Oxfam Report 2009). Oxfam has called for highly localized projects, providing tools for residents to build urban water storage and management facilities and teaching community residents how to capture rainfall, store excess water, and use it to the maximum capacity. Further, they have called for “active citizenship,” which they define as “encouraging changes in individual behavior, such as water conservation and household recycling” (Oxfam Report 2009). Other local NGOs in Bolivia have created a Platform against Climate Change. This confederation of agencies includes Fundación Solon, a human rights organization focused on water problems, plus several indigenous federations and social movements. Their overarching goal is to: (a) hold the international community responsible for CO₂ emissions through reparations, a set dollar amount whereby first-world nations will be responsible for resources and funding to provide support for infrastructure in the global South, and (b) create a people-centered movement that focuses on “empowering communities” to deal with climate change. Over time, their platform has incorporated international discourses such as empowerment training for communities to come up with their own solutions to the water crisis.² Currently, the Empresa Publica Social del Agua y Sanamiento (EPSAS), the temporary state-based water company, performs the daily duties of water conservation. They immerse individual citizens in the reality of intensifying scarcity by teaching people how to use less water when showering, bathing, and brushing their teeth. Their colorful and graphic pictures, postcards, and brochures, now plastered on the walls of makeshift houses in El Alto, depict a five-step solution to saving water, reinforcing their motto that the water crisis can be solved, “One person at a time.”

These developmentalist ideas of highly individualized and autonomous self-regulation merely recycle old tropes from the 1980s and 1990s that focused on the reconstruction of

² Residents from El Alto, however, have complained that despite their rhetoric of highly localized and community-based approaches, the Platform remains disconnected from the daily water struggles of urban residents.

individual habits and behavior as a solution to poverty and inequality. These discourses transpose structural problems onto individuals, assuming that the water crisis can be prevented if community residents work toward limiting their water use, practice resilience, or engage in finger selection to plug a leak in a dyke that is cracking at its base. While some of this adaptation might need to occur in the near future, neither the construction of dams preserving the “limited” water supply, nor self-help solutions, provide long-term and holistic answers to the problem at hand. Importantly, such proposals shift the onus of action and responsibility from the centralized state to individual international actors, NGO workers, and residents, who, it is assumed, can prevent a crisis by changing their behaviors and actions.

Neoliberal quick-fix structural and individualized solutions to the water crisis have been exacerbated in Bolivia by policies of decentralization, which fractured relations among governing bodies. In turn, this helped to produce frequently conflicting platforms and ideas regarding new water governance proposals in a post-privatization era. For instance, regional and territorial claims for autonomy emerged in the wake of policies of decentralization, with the introduction of the Popular Participation Law in 1994. Its initial intent was to contain protest and prevent conflict from disrupting the central state, but scholars have noted that these decentralization processes had unintended consequences (Gill 2000; Yashar 2005; Arbona 2008). They also created relatively independent governing spaces, thus facilitating the formation of new organizational structures focused on territorializing rights and resource politics. These dynamics emboldened movements like the *Cocaleros* in the Chapare and MST in Santa Cruz, which saw new possibilities for demanding territorial autonomy and reclaiming the means of production. While large-scale dams and self-help might have blinded people by focusing on immediate problems and individualized solutions, policies of decentralization effectively dismantled and

fractured relations that might have provided at least part of the scaffolding necessary for the construction of a more centralized and independent state, a critical planning role commensurate to disaster risk reduction. The consequence of this decentralization has been the emergence of more independent governing structures through new legal frameworks offered to communities, regions, and departments. Such localized and autonomous bodies represent a poor alternative for national-level direction during a moment in which people are already experiencing radical water loss in their communities.

The misfit between a coherent, overarching governing structure and an evolving ecological crisis is part of the unfolding narrative in El Alto. Resident assemblies, called the Federation of Neighborhood Organizations (FEJUVE), took matters into their own hands in the absence of a centralized state apparatus. It was the only way to ensure urban development. Their intention was to use organizational tools to build a thriving and independent indigenous city. These newly empowered social movements served as centers for planning, funding, building basic infrastructure, and providing critical services. Residents also attempted to address an array of family and collective needs ranging from self-employment to service provision. Locally, residents relied upon creative cultural forms adopted from Andean rural communities, such as *ayni* and *minka* (reciprocity and exchange), to carry out service and economic projects with very low budgets. This practice instilled in community residents a sense of authorship in the city's construction and supply of services while creating presumptions and myths about the limited responsibilities of the state. While FEJUVE-El Alto maintained both independence and autonomy from the state and the municipality of La Paz, residents relied upon NGOs and political party support for their development projects. This linked the residents of El Alto to a broader network of NGO dollars and influence, mixing their own ideas about do-it-yourself

urbanization with imported developmentalist strategies of self-help and autonomy as solutions to poverty.

It is not surprising, then, that several years after community residents built and managed major projects in El Alto, they would call for the dissolution of EPSAS and promote the development of an independent water company built upon Aymara principles of social justice, reciprocity, and equality.³ While FEJUVE-El Alto calls for a water company that would remain severed from the city of La Paz, municipal agents are pushing for a more centralized plan called “Agua Para Todos,” which would involve one company based in El Alto with representatives from national, regional, and municipal governments, and neighborhood organizations, making decisions about larger-scale infrastructure. Funding would come from a combination of user fees, foreign aid, investment, and federal funds. FEJUVE-El Alto remains suspicious of La Paz’s proposal for a centralized water company, and noted, “We are talking about [an extension of the neoliberal project], a business of and for water...we should continue to observe this problem. To us, [their plan], appears laughable” (El Alteño, 2/27/2010).

More recently, on March 17, 2010, FEJUVE-El Alto asked the Morales administration to halt the construction of “Agua Para Todos” and demanded a meeting with representative from the Ministry of Environment and Water. For the last time, they asked that the Ministry consider their proposal to create two separate and autonomous water companies. FEJUVE-El Alto and municipal agents from La Paz still have not reached a consensus, and despite being two radically opposed visions of water governance, neither plan pays more than lip service to global warming and the potential for increased regional conflict with worsening water scarcity. Like the NGO

³ The law of popular participation deployed political strategies and discourses about inclusiveness and participation by acknowledging the pluricultural and pluriethnic nature of Bolivian society. Platforms for autonomy, as in El Alto, were often wrapped up in discourses of indigenous incorporation and territorial sovereignty.

discourse, which transposes broader problems onto the individual, these residents also seem to be missing the larger picture that their water comes from the same sources as La Paz's, and these sources are declining rapidly.

These competing claims to political legitimacy, fed by interests committed to decentralized forms of governance, extend beyond La Paz and El Alto. These resource and governance tensions are also evident at the regional and national level, as neoliberal reforms have opened up a space for distinct groups to demand territorial autonomy. Indigenous movements like FEJUVE-El Alto represent one end of an ideological continuum advancing an agenda of redistribution, with proposals for social justice, reciprocal relations, and the reallocation of resources. At the other end of the ideological spectrum are business elites and civic leaders from the lowlands, who advance proposals for regional autonomy and decentralization and for the extension of free-market economics, which continues to rely upon large-scale extractive industries channeling flows of wealth from the periphery to urban centers. Clearly, the logic of these otherwise ideologically divided movements cohere around notions of highly localized and individualized solutions to a state crisis. El Alto's predicament emerges from an absent state and from its residents' history of building a city on their own and wanting to rule independently, while regionalist proposals for departmental autonomy have everything to do with new fears about the "plurinational state," which calls for the redistribution of resource wealth, particularly gas rents for national development.⁴ Decentralization provided elites and disenfranchised urban residents alike with new opportunities to create their own forms of self-governance, enhance control over resource wealth, and consolidate decision-making power in their region. Importantly, however, new forms of independent rule through autonomy, a

⁴ Regionalists are quick to mobilize against proposals that the "percentage" of revenue for gas producing municipalities should be readjusted to a formula based on population or poverty. Gas rents, as Gustafson (2010) argues, fuel spatial inequalities, and the defense of them is a key point underlying regional autonomy claims.

movement led by right-wing regionalists who have assumed the responsibilities of the state, have also produced a monopoly over security and violence. These regionalists have hired ready-made groups of disenfranchised working-class youth to serve as their shock troops to patrol and preserve spaces (both rural and urban) of capitalist production and consumption.⁵

The pull to decentralized forms of governance on both the left and right has produced a series of contradictions. All of this, then, has led to the new disjunctures of statecraft, as regional elites, social movements in El Alto, and municipal agents all function as independent governing bodies, “too many actors competing to perform as a state” (Krupa 2010). The consequence is that the state cannot perform the essential centralized planning and strategic functions that prove ever more important during a critical moment of crisis or when the survival of the populous is imperiled. The present slide toward ecological disaster, which demands coherent forms of strategic thinking and long-term planning, is increasingly undermined by such decentralized counter pulls. While Morales might have the best of intentions to re-create a strong, centralized state, he cannot control the many factions operating as sovereign governing structures. This, then, provides the third layer of this analysis: who, can perform these critical functions of the state in a moment of decentralization and fragmented relations? If they are not performed, what are the likely consequences? Is there an alternative to a centralized state apparatus performing these functions in moments of national crisis? These are especially important questions in this moment of unfolding environmental catastrophe and neoliberal state craft.

In the last section, I interrogate conference themes—international and global capital flows, competing networks, and the idea of a fragmented and fractured state—and query whether

⁵ Both Alteños and agribusiness Cruceños have solidified and legitimized a call for autonomy through their performative and spectacular demonstrations of shared history, culture, and identity. This, then, illuminates another conference theme, one focusing on the role of fantasy and imagination in generating the idea of the state. While Alteños perform a highland indigenous culture, agribusiness elites have had to cloak their demands for regional autonomy in a manufactured history of shared Camba-Guaraní heritage.

or not this dangerous fragmentation could lead to an escalation and acceleration of a man-made disaster. All of this fragmentation occurs against the very physical backdrop of mountain ranges, running dry of water. As glaciers continue to melt worldwide, scientists have warned that, “If the water problems are not solved...the glacier melt in the next 20 years could threaten the existence of nearly one hundred million people across the globe” (NYT, 12/13/09). What will this mean for some of the most vulnerable residents of La Paz and El Alto who have historically relied upon their own labor and resources for infrastructure and service delivery?

Morales has taken center stage in the global climate change arena, pushing an agenda of climate debt⁶; he is well positioned to reroute capital flows in a redistributive and fair way to build the necessary infrastructure to deal with this crisis. While he might not have the resources, he has the tools and the capacity to rebuild a strong and centralized state. However, if Morales continues to rely upon recycled discourses of indigenous inclusion without pressing for both new forms of a centralized state apparatus to address national planning issues and material outcomes that can finance transformative change, places like Bolivia will continue to be caught in webs of international dollars and short-term development schemes. This, in turn, will almost inevitably lead to both short and long term crisis. Bolivians face broad-based and complicated problems as a result of its long history of neoliberal reforms, and these problems cannot be solved solely at the local or municipal level. They cannot be solved by failing to address, for example, the large-scale infrastructural issues often foundational to the problem. As we know from other cases like Hurricane Katrina, faulty infrastructure eventually fails to contain natural forces. This will require the work of NGOs, state officials, and local community residents, along with a strong, centralized state directing such efforts, to think through what adaptation and mitigation mean for

⁶ Climate debt is a platform that holds first world nations accountable for their carbon emissions and puts a dollar value on the infrastructure and technology necessary to deal with global warming.

creating sound infrastructural solutions to water scarcity. And unless this happens relatively soon, Bolivia will continue to teeter on the edge of disaster, for it is running out of time.

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