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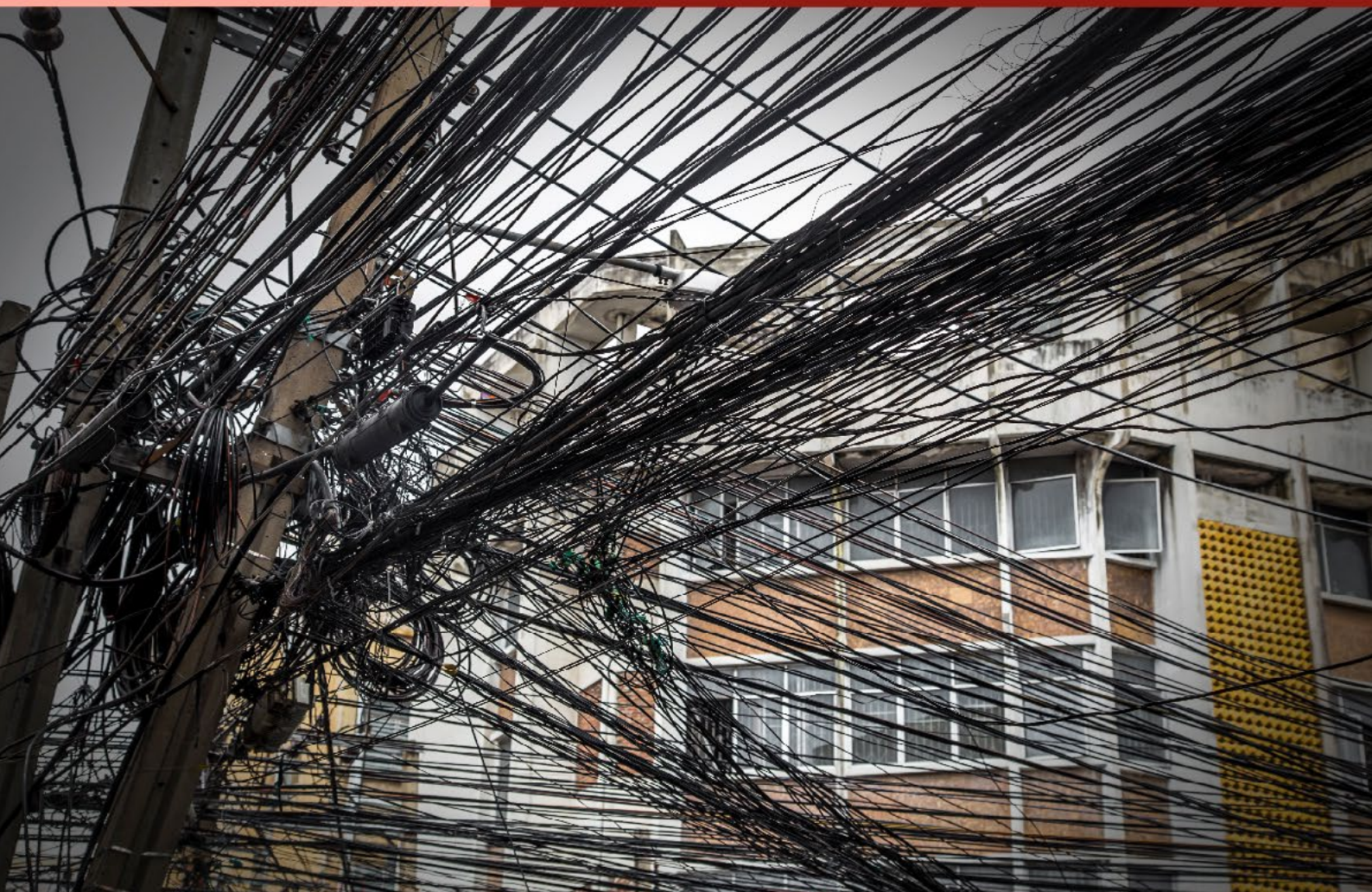
ELECTRICITY BELONGS TO THE PEOPLE

Energy Poverty and Energy as a Right in Latin America



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1.

EXECUTIVE SUMMARY

According to United Nations (UN) data, there are approximately 2.8 billion people around the world who meet their energy needs in a precarious way through the combustion of biomass (wood, different types of coal, excrement, etc.). Of that 2.8 billion, nearly 1.2 billion do not have any type of access to electricity networks. Although the worst numbers in that regard come from different areas of Africa and Asia, Latin America is not exempt from these serious problems.

Despite the fact that Latin America and its energy systems are taken into special account in initiatives such as the UN Sustainable Development Goals, it is estimated that around 21.8 people lack electricity access in the region. While different countries have very different conditions, evidence indicates that the disparity is exacerbated in rural areas and urban peripheries. Likewise, although there are no disaggregated surveys at the continental level, multiple national indicators reveal that there is a recurrent gender gap in energy access. As we will see below, households headed by women are especially vulnerable.

This report seeks to contribute to a Latin American vision of energy access problems. With this purpose, we propose reviewing a few experiences that speak of different ways of conceiving the relation between the territory and its energy needs. In particular, we are interested in historicizing these political processes, which draw a regional map in which the demand for the right to energy was latent during the 20th century, then grew and was expanded over the last two decades of the new millennium. At the

same time, we return to the principal discourses regarding the issue, so that they may contribute to the debate about poverty and energy access.

Based on this investigation, we identified the following key points:

- While there were earlier partial approaches, one of the first definitions of the term "energy poverty" is dated to the 1990s, when British researcher Brenda Boardman proposed that households that had to allocate more than 10 percent of their total monthly income to achieve an acceptable level of heating should be considered "energy poor".

- There are multiple objections to Boardman's proposals because her focus was elaborated in regards to the situation in her country, with inherent socioeconomic and climatic implications, making it difficult to universalize. At the same time, the focus on income ignores the issue of energy needs, which involves diverse cultural and geographic variables.

- In Latin America, institutions such as ECLAC, although limited to visions with economistic biases, propose evaluating situations of energy poverty based on perspectives that contemplate the specific climatic conditions of each region, that pay attention to other needs, besides only heating homes, and that take into account the interaction between difficulties in accessing basic services and other situations that also make life precarious.

- Contemplating this problem solely in terms of "energy poverty", besides having a stigmatizing bias against people who face hardships in accessing energy, tends to overlook the social relations concealed by this situation. The fact that quality energy services are not accessible to the majorities coexists with the waste of certain minorities, and this situation must be analyzed in a political register.

- Objections have been made to these claims about energy access, among those resistance to state focuses on energy poverty in the United Kingdom itself. In other regions – for example, Catalonia –, some populations affected by supply cuts and high rates have organized to access energy, providing new nuances to the debate around energy poverty.

- Public policies of governments in central and peripheral countries tend to be dominated by an assentialist bias. This conceptual focus limits possibilities for rethinking the power relations that make the present state of things possible.

- Latin America is a region that is rich in examples of resistance and organization by popular sectors seeking to access energy and limit the attempts at privatization by companies of various sizes.

- Although limited in their ambitions and affected by multiple forms of precarity, there are fruitful examples of understanding energy as a right on our continent. The struggles of Luz y Fuerza Mar del Plata for the implementation of a social rate in the Argentine province of Buenos Aires, the struggles of the Asamblea Nacional de Usuarios de la Energía Eléctrica (National Assembly of Electric Energy Users) against energy cuts and rate hikes in Mexico, and those of the AUTEC/Comuna in Uruguay for a "just" rate demonstrate this experience of Latin American resistance.

- In these three cases, the primary trigger is the loss of public electricity services due to privatization processes. In these processes, the demand for energy in terms of a human right has been the backbone of the disputes. However, in the corresponding political processes, variants of public control of energy are tried out that do not necessarily mean a return to the preneoliberal state's form of energy management.

2.

INTRODUCTION

On our continent, the lack of energy, poor access conditions, difficulties in paying rates, and endemic late payments by millions of people are some of the elements that highlight the consequences of an energy model that reproduces the inequalities of the economic and social system in which we live. Faced with this reality, diverse experiences have emerged across Latin America that pose energy access as a human right and fight for its defence.

This report aims to contribute to a Latin American vision of the problem of energy access.

To do so, we propose reviewing some of these experiences, which speak to diverse ways of understanding the relation between the territory and its energy needs. In particular, we are interested in historicizing the political processes linked to those experiences, which shape a regional map in which the demand for the right to energy was latent during the 20th century, and later grew and was expanded in the last two decades. At the same time, we will return to the main discourses regarding the issue in order to contribute to the debate about poverty and energy access.

We will analyze different approaches in regards to problems of energy access. In the first part of the report, we will review the historical origin of different characterizations that have been made of energy poverty. We will contrast this theoretical development with critical visions that have emerged from organization of the central countries themselves. Next, we **will look at three social processes related to the demand for energy**

access in Uruguay, Argentina, and Mexico. These cases bring together unions and movements of energy users, and demonstrate the loss of rights, the need to establish a social rate, and the dispute over the public character of energy.

The case analysis allows us to verify that, far from a static panorama of resignation, diverse processes of dispute over energy access can be seen in our region. Although our approach only discusses experiences from three countries, those examples allow for illustrating the features of these struggles and make it possible to think about the issue of energy access in Latin America in a situated way. We take this approach because we recognize that the movements that we describe have made it possible to pose the discussion about the need to improve energy access for the social majorities and to make it safer and more just. Ultimately, we think that the result of these disputes will determine the character of the future economic model, which is currently moving toward a transition.

Analogously, we understand that the related social processes are not separate from a much broader struggle to improve the living conditions for the most neglected sectors on our continent. In summary, thinking about how to improve the conditions of access to essential services involves putting forth a way of confronting an unjust social and economic model, which, in this case, is materialized in an energy system that creates contamination and impoverishment.

2.1.

ENERGY AND POVERTY IN LATIN AMERICA

According to United Nations (UN) data, there are approximately 2.8 billion people around the world who meet their energy needs in a precarious way through the combustion of biomass (wood, different types of coal, excrement, etc.). Of those 2.8 billion, nearly 1.2 billion people do not have any access to electricity networks. While the worst data in that regard comes from different areas of Africa and Asia, Latin America is not exempt from those serious problems.

Despite the fact that Latin America and its energy systems are especially taken into account in initiatives such as the UN's Sustainable Development Goals, it is estimated that around 21.8 million people in the region lack access to energy (Castelao Caruana and Méndez, 2019). While the conditions are very different in different countries, evidence indicates that the disparity is exacerbated in rural areas and urban peripheries. Likewise, although there are no disaggregated surveys at the continental scale, multiple national indicators reveal that there is a recurrent gender gap in energy access.

Although these types of difficulties in energy access are generally categorized under the label of **energy poverty,** there is no absolute consensus over how to define that term. However, a considerable part of the specialized international and regional literature, considers that households in a situation of energy poverty are basically characterized by one of the following lacks: a) those that cannot access modern energy services due to technical reasons, b) those that allocate major quantities of their econo-

mic income to obtain those services (generally more than 10 percent), or c) those that access levels of consumption under the threshold that would guarantee them a minimum standard of comfort, among other considerations.

In view of this structural and endemic problem, and in line with what happens in central countries, in Latin America many of the documents generated by organizations such as the UN, the Economic Commission for Latin America (ECLAC), the Latin American Energy Organization (OLADE 2019), among others, revolve around the need to improve public policies. Among the battery of proposals, the most common tend to be calls for revising subsidy schemes and social aid for energy access, the regionalization and municipalization of projects, and, to an increasing extent, the demand for more non-conventional renewable energy sources (ECLAC, 2018).

Although throughout this text we will refer to different definitions that allow us to approach situations of energy poverty in technical terms, we should point out that strictly quantitative formulations often hinder analysis from broader and more systemic perspectives. In this sense, a basic supposition from which we depart is that the difficulties that some households face in obtaining basic energy resources do not reflect a purely technical and conjunctural problem: in reality they are the reflection of structural inequalities of the capitalist mode of production. In other words, we are currently witnessing an unequal and combined social distribution of energy. In this form of development, wasteful energy consumption in activities that ar are speculative and aggressive toward the environment coexist, without apparent incoherence, with the growing difficulties faced by large majorities of the population to reach levels of a dignified life, even in high income countries. This dynamic is largely due to the increasing privatization and oligarchization of energy sources that subordinates popular demands to market interests, both in Europe and in Latin America.

Thus questioning the issue of energy poverty implies debating the mode in which the hegemonic patterns of accumulation are reproduced.

2.2.

THE NOTION OF ENERGY POVERTY: EMERGENCE, INTERPRETATIONS, AND CONTROVERSIES

The notion of energy poverty is not new. Although it has precedents in approaches to the issue that date back as far as the beginning of the 20th century, the first formal definitions of this expression appeared in the late 1970s.

In the British academic world at the time, authors such as Paul Richardson and Paul Lewis proposed approaches to the notion that focused on subsistence energy access by family groups. Specifically, those researchers understood a household in conditions of energy poverty as that which did not have the necessary economic resources to be able to pay for the essential fuel to heat their home so that its members would have a minimum thermal comfort (García Ochoa, 2014).

However, despite its descriptive value, those proposals were not accompanied by methodological suggestions that would allow for quantifying the objective threshold under which a household would be in a situation of energy poverty. In view of these types of difficulties, in the early 1990s, specialists such as Brenda Boardman formulated other proposals seeking to systematize what was understood by energy poverty. Based on the British situation, **Boardman proposed that households that had to allocate more than 10 percent of their total monthly income to reach acceptable levels of heating should be considered energy poor.** That perspective not only drew a delimitation line to determine what was understood by energy poverty, but furthermore awakened a series of concerns about the energy efficiency of homes. From this point of view, the

effort to improve the conditions of insulation and ventilation of homes was also a way to reduce the monetary amounts directed toward their thermal conditioning (Durán, 2018).

Despite Boardman's methodological innovations, some specialists questioned the limits arising from them because, according to them, the proposed method was based on an element of subjective valorization that was difficult to standardize: thermal comfort. Similarly, they pointed out that this approach did not take into account the fact that in many countries it is very difficult to gather data about energy expenditure and place it in reference to total family income (García Ochoa, 2014).

On the other hand, the vision of poverty based on a threshold of 10 percent of family spending was also criticized for its lack of reflection about household's contexts. Derived from the so-called "consensual" positions (Castelao Caruana y Méndez, 2019), this questioning of Boardman's vision points out that households tend to resolve their energy needs through a combination of diverse sources, related to existing sociocultural practices and norms, climatic and geographic characteristics, socioeconomic and infrastructure conditions, etc. Most of the time, the minimal quality and threshold of spending that each family group considers tolerable to meet their energy requirements is not defined according to an unchangeable universal percentage: it is estimated based on all those other climatic, geographic, and sociocultural variables (Billi et al., 2018).

In light of these multiple difficulties, more recently proposals have emerged that, without renouncing hard quantitative objectives, seek to use parameters that reflect the complexity of the preceding formulations. One of those is the "energy poverty index", which expresses energy poverty as the average between different assets that, when it comes to taking into account the available combinations of energy sources and services, are chosen to represent absolute energy needs (Billi et al., 2018).

Despite these attempts to add explanatory thickness to the existing definitions, in practice it is difficult to transfer them from the central countries where they were developed (in this case, primarily Great Britain) to other regions with variegated realities, such as Latin America. Documents from institutions such as ECLAC consider that, to evaluate energy poverty in Latin America, it is necessary to take into account at lest three methodological criteria (García Ochoa, 2014: 15).

In the first place, one issue that stands out is the difference between the climates of Great Britain and Latin America. In Great Britain, the climate is relatively homogeneous; in Latin America it is very heterogeneous. Therefore, each country – and even different regions within the same country – must define their own thresholds of energy requirements according to the specificities of their seasonal climates. A second element of discrepancy identified by ECLAC refers to the limits generated by only evaluating energy poverty in terms of satisfying heating needs. To the contrary, ECLAC's document emphasizes that energy is used for multiple activities that affect a population's quality of life: from food preparation and refrigeration to entertainment activities. A third issue highlighted by ECLAC underscores that, in certain occasions and contexts, different levels of energy consumption are linked to different social statuses. Consequently, there would be discrepancies in calculating the maximum and minimum thresholds of family income allocated to satisfying energy needs, as well as difficulties making comparisons between different countries or even regions within the same national territory. Finally, taking up Amartya Sen's[1] approach to poverty, ECLAC's fourth proposal considers that If a household's absolute energy needs are not met, we are faced with a situation of absolute deprivation. However, these needs cannot be met in an absolute way with exogenous measures; the way in which they are met changes according to the sociocultural framework, and that is relative.

1_ Sen (2000) defines poverty based on a perspective focused on the satisfaction of basic needs in a broad sense: not only taking into account the fact of being below a certain line of family income. From that perspective, poverty can be expressed in premature mortality in respect to national life expectancy, nutrition deficiencies, little schooling, and limited or no access to basic services, among other elements.

2.3.

DIFFUSION OF THE NOTION OF "ENERGY POVERTY"

After nearly a decade of discussions about the notion of energy poverty based on the 10 percent income line, at the end of 1999, the United Kingdom government decided to initiate an Inter-ministerial Group on Energy Poverty to take concrete action on the issue. Starting with a census of needs that indicated that, in 1996, nearly five and a half million citizens of the UK were in a situation of energy poverty, the group elaborated the "British Strategy on Energy Poverty", which was publicly released in February 2001. The British government declared that, with this initiative, they planned to reduce the number of inhabitants living in energy poverty by 85 percent by 2010.

However, there were difficulties in implementing the proposal, due to the increase in fuel costs during the early years of the new millennium. After initial positive results, that increase derailed the projections.

An example of this phenomenon can be seen in the fact that in the United Kingdom, households in situations of energy poverty increased from approximately 2 million in 2004 to 5.5 million in 2009.

The British government was thus forced to reformulate its original deadlines, first pushing its target back to 2013 and later to 2016. Despite those changes, and in view of the failure of the proposed timeline, in 2014 they definitively altered the deadlines and also the very objectives proposed in the original "Strategy". In particular, starting in that moment, the

near eradication of poverty was no longer considered an objective and, instead, they proposed achieving "energy efficiency in households" by around 2030.

Among the contradictions resulting from that project, the campaigns related to the Strategy's original objectives of the "Strategy", campaigns carried out by environmental organizations such as Friends of the Earth, are especially noteworthy. Specifically, the objection of Friends of the Earth (which forced the government to reformulate the initiative) focused on two elements: that the project did not propose the complete eradication of household energy poverty and that it was exclusively focused on England and Scotland, leaving out Northern Ireland and Wales (Smith, 2017).

Plans such as the British one progressively joined with others at the continental scale led by the European Union (EU). The first formal mentions of the problem at the institutional scale can be seen in the formulation of the Third Energy Package, proposed by the European Parliament in 2009. In that document, the drafting commission recognized the existence of a growing problem of energy poverty on the continent, which would require policies to support affected consumers to alleviate their situation (Bouzarovski Petrova and Sarlamanov, 2012).

Since then, and always with an eye on consumption levels and without questioning the market treatment of energy, the EU promoted multiple initiatives to evaluate difficulties to energy access. Perhaps one of the most ambitious has been the launching of the EU Energy Poverty Observatory (EPOV). According to official documents, the Observatory's main objective consists of gathering information at the large scale about the energy situation in different EU member countries over the course of 40 months. The data gathered would be used to combat the problem with better tools, focused on encouraging collaboration among different institutions, sharing technical information, and contributing to the formulation of large-scale policies through the publication of guides and training materials (EU Energy Poverty Observatory, n.d.).

Undoubtedly, the highest point of diffusion of the notion of energy poverty within contemporary multilateral agendas came from the concept's inclusion in the UN's 2030 Sustainable Development Goals, published in 2015. **Number Seven of those objectives stems from the fact that 13 percent of the world's households do not have access to electricity grids and three billion people depend on biomass and animal waste to meet their energy needs.** Furthermore, the document points out that this situation occurs in a context in which 60

percent of greenhouse gas emissions come from energy consumption. On the other hand, the UN report reveals that in 2012 alone domestic air pollution caused by the combustion of deficient energy sources was the cause of 4.3 million deaths.

This statistic also offers categorical evidence of the gender bias: six out of every ten victims were women and children.

Faced with this situation, the UN proposed that there be universal access to reliable, accessible, and modern energy sources by 2030. To a large extent, the way to achieve this objective consists of increasing efficiency levels and incorporating renewable energy sources at a large-scale. To do so, international cooperation will be necessary in a broad sense, but it will also require central countries to cooperate with those with less access to economic and technological resources (UN, 2015).

2.4.

CRITICAL VISIONS WITHIN THE EUROPEAN UNION

There are diverse organizations and networks in Europe that, for decades, have been debating situations of energy poverty based on visions that go beyond a strictly technical formulation, particularly from a perspective that considers energy access a right.

One of these organizations is the Alianza contra la Pobreza Energética (APE), [Alliance against Energy Poverty], based in Catalonia. The APE was founded in 2014, in the context of Spain's major economic recession following the global financial crash in 2008. Among the many difficulties that the situation caused for the least favoured social sectors, one of the most pressing had to do with access to housing. In a conjuncture marked by many families' inability to pay mortgages and rents – a situation that often ended in evictions – the different groups that came together in the APE (organizations for housing access, movements of the unemployed, ecological groups, etc.) observed that the struggle for housing had to be accompanied by demands for dignity. With this premise, it was impossible to ignore the struggle around access to energy and water.

Mònica Guiteras, a Catalan sociologist, member of the APE and Engineers without Borders, considers that, while the explanatory capacity of the expression "energy poverty" is limited in strictly technical terms, its presence in the media in the context of the housing crisis made it possible to raise broader conversations. Recognizing the difficulties families face in paying electricity bills greater than their incomes – said Guiteras –, allowed for initiating a debate that would question the "res-

ponsibilities that private companies have in the incomprehensible privilege of managing those services". The concern would lie, then, in taking the technical concept related to high energy prices, thermal inefficiencies of homes, and low family incomes, and connecting all these characteristics to politicize its definition. Ultimately, it was a matter of rescuing the "energy poor" from mere victimization and advocating for their empowerment in order to be able to organize.

It is worth noting that, in their reports Engineers without Borders define energy poverty as an issue of redistributive justice in terms of access to basic services (which includes water as well as energy), an injustice generated by a combination of income inequality, the price of those services, and housing characteristics. For those specialists, difficulties in accessing energy should be linked to other types of inequalities, such as environmental and climate injustice. That is because the lack of access to consumption for some sectors is inextricably linked to the overconsumption of other sectors. The harmful environmental effects of this dynamic intensify the precarious situation of the under-consuming sectors.

From this perspective, therefore, the different injustices that make up situations of energy poverty are not static and separate compartments, but rather are part of a logic of systemic operation made up of multiple interconnected dimensions.

They emphasize that solving situations of energy poverty does not simply consist of questioning consumption margins or speaking of a level of "adequate consumption" that is pre-established by governmental bodies using quantitative criteria. The question lies in accounting for how the current structure of the Spanish energy system creates a dynamic that leads to the exclusion of ever larger pockets of the population. A key element that is underscored through this characterization is the conception of energy not as a good, but as a right. According to Guiteras, the mobilizations driven by these perceptions promote the "right to decide about energy, the right to be consulted, the right for it to not only be managed by experts, to break with the culture of experts". Thus, one of the proposals considered by Engineers without Borders is that governments guarantee a "vital minimum" of energy access, understood as a basic quantity of energy.

In the same vein – without therefore adopting positions that could be categorized as "anti-developmentalist" – they emphasize communities' right to oppose megaprojects, particularly when they could involve the loss of irreplaceable supplies. Along that line, Engineers without Borders filed complaints against Spanish energy companies, such as Repsol and Unión

Fenosa, among others, because those companies were responsible for policies criminalizing environmentalists, reproducing (on a smaller scale) the same dynamics as in Latin America. That corporate activity against activists can be seen in cases such s the prosecution of three APE activists by Aguas de Barcelona (part of the Agbar-Suez Group) following a campaign calling for debt forgiveness for families in vulnerable situations.

Engineers without Borders especially highlights the need to apply a gender-based perspective to evaluate situations of energy poverty. It can be confirmed that women are more likely to face difficulties in accessing energy services, particularly in single parent households. According to Guiteras, there is a feminization of poverty in general, which becomes very visible when analyzing energy poverty. She states:

> **“There is a wage gap, there is a glass ceiling, a very complicated work-life balance that makes it so that women are unable to generate an income because they are extending their maternity leave. The sexual division of labour in the current context causes women to enter jobs that are less valued, worse paid, and more precarious, with fewer working hours”**

In effect, according to that report, drawing on the methodology based on individual income employed by the Cátedra de Inclusión Social de la Universidad Rovira I Virgili, in Catalonia, there is a 25.7 percent energy risk for men, which reaches 49.7 percent for women. The complexity of the panorama only increases when gender bias is combined with other vulnerabilities such as advanced age or immigration status.

In this complex context, the APE joined initiatives that sought to organize inhabitants of cities such as Barcelona with a municipalist focus. According to Guiteras, the municipalization movement seeks to ensure that privatized basic services return to public hands in such a way that communities are active participants in the process. There is an interesting contrast between this proposal and deprivatizing initiatives of a national type, due to their scepticism in regards to the possibility of enacting instances of true democratic decision-making at the national scale.

Having reached this point, we cn recognize not only the diversity of approaches to the definition of energy poverty, but also the political weight carried by the whole issue. In short, it could be argued that attempting to conceptualize what is understood by energy poverty involves characterizing the multiple inequalities entailed by poverty.

It is important to point out that in our region there is a broad range of experiences of resistance and organization against the privatization of public services and also for universalizing access to those services, understanding them as rights. In effect, there are many milestones of the struggle for energy, such as the "Gas War" in Bolivia in 2003, the Indigenous and peasant mobilizations in the Ecuadorian Amazon in response to oil exploration, the social uprising in the region of Magallnes, Chile in response to the increase in gas prices in 2011, and users' resistance to the "tarifazo" [rate hike] in public services that the government of Mauricio Macri sought to implement in Argentina in 2016, among many other examples. To address the concrete issue of struggles for energy access with the complexity that it deserves, in the following sections we will reconstruct three important experiences of organization from below to confront energy access difficulties in Latin America. **We will do so through discussion of cases from Argentina, Mexico, and Uruguay.**

3.1.

ARGENTINA
SOCIAL RATE: ORGANIZATION IN THE MIDST OF THE RUINS CAUSED BY NEOLIBERALISM

In this section, we will reconstruct the trajectory of the Argentinian electricity system from the increased state presence in strategic planning, in the mid 20th century, to its fragmentation in a neoliberal register in the 1990s, as well as the resistance that this spurred. Specifically, we will concentrate on the struggle for a social rate in the province of Buenos Aires, whose organizational epicentre largely revolves around Luz y Fuerza Mar del Plata and the FeTERA.

Energy and Poverty in Argentina

Argentina's energy matrix is highly concentrated in hydrocarbons, which represent nearly 85 percent of its total primary sources. According to the 2020 National Energy Evaluation, that year, 54.67 percent of the country's energy came from natural gas and 29.47 percent from petroleum. In the latter sector, a leading role is played by YPF, a company that is majority owned by the state, although its behaviour is guided by market logics. The preeminence of this company can be seen by the fact that in January 2021 it was the main extractor of hydrocarbons, responsible for 29 percent of the gas and 43.4 percent of oil. At scale, that dominant position is repeated in its participation with non-conventional resources extracted through fracking in Vaca Muerta. During that same period, YPF extracted 32 percent of the gas and 42.8 percent of the petroleum of that type (EJES, 2021).

This panorama, which was already complicated in terms of its prospects for environmental sustainability, is further aggravated if we only look at sources that produce electricity. **According to Cammesa, in August 2021, there was an installed capacity of 42,584 MW, of which 25,322 MW (almost 60 percent of the total) were produced in thermal power plants.** Of those power plants, 88.6 percent were fuelled by gas, 6.5 percent with gas oil, 2.9 percent with mineral coal, and 2 percent with fuel oil. The electricity system's dynamic of participation without taking ecological issues into account **is also strongly concentrated in a narrow geographic stretch of the country: 47 percent of the electricity supplied to the system that same August was consumed in the provinces of the Littoral (provinces of Misiones, Entre Rios, and Corrientes) and the Greater Buenos Aires Metropolitan Area** (Cammesa, 2021).

Having thus outlined the context, it should be said that to catalogue the number of Argentine households in a situation of energy poverty or with difficulties accessing energy, we face the initial problem of the lack of official statistics on the matter. However, there are estimates that allow for looking at the situation at the national level. Investigations such as that of Durán (2018), propose carrying out this analysis by categorizing families as "poor" that have to disburse more than 10 percent of their total income to satisfy their energy needs. With this methodological focus, and using the Permanent Household Survey as a database, it can be seen that between the years 2003 and 2015, there was a significant decrease in energy poverty, which was reduced from 40 percent to 0.8 percent. To a large extent fostered by the policy of high electricity subsidies practised by the Kirchnerist governments, that reduction in poverty started to be reversed with Mauricio Macri's arrival to the presidency in 2015. One indication of that regression is seen in the fact that, in the heat of the so-called "tarifazo" (rate hike) in 2016, the number of households in situations of energy poverty rose to 15.1 percent.

Besides expressing different conceptions of the energy issue, these statistics demonstrate the precarity of contemporary life in Argentina, in which a significant portion of the population can only maintain its basic energy consumption through state benefits. Difficulties related to statistics and rates make it so that state contributions to alleviate the fees paid by users are not only targeted to the groups with fewest resources, but they also reach important industrial sectors and middle and high income residential sectors. All of this makes it necessary to rethink the system as a whole and propose more progressive forms of distributing state benefits, at the same time as it requires launching new schemes of social rates and guaranteed

minimum consumption. **In what follows, we will look at some elements of popular organization that lean toward those goals, when we delve into the experience in Mar del Plata in the early 2000s.**

Rise and Decline of the State's Role in the Energy Sector

In the midst of the growing state presence in strategic areas promoted by the first government of Juan Domingo Perón, in 1946, the Dirección Nacional de Centrales Eléctricas del Estado [National Directorate of state Electric Power Plants] was created, a state agency designed for the construction and operation of electric energy plants. A year later, Agua y Energía Eléctrica S.A. began operation, which was responsible for developing a system of generating, transporting, and distributing hydroelectric energy in the country.

Following the same statist line, but marking a major change in politics, in 1962, the national government granted the generation and distribution of electricity in the Federal Capital and adjacent municipalities to Servicios Eléctricos del Gran Buenos Aires (SEGBA), a publicly owned company. That move was accompanied, some time later, in 1967, by the formation of Hidroeléctrica Norpatagonia S.A. (Hidronor) whose objective was to build and manage dams in the southern part of the country. Another step in that trajectory of the electricity sector occurred in 1978, when Compañía Ítalo Argentina de Electricidad (CIADE), responsible for supplying electricity to a large part of the Federal Capital, transferred all of its activities to the national government and thus became a fully public company.

The result of this trajectory was that by around 1990, 97 percent of Argentina's energy supply was in the hands of the federal state, and, to a lesser degree, that of the provinces (Pampa Energía, n.d.). However, this reality was in opposition to a radical shift in the dominant conception of the role of public companies. In effect, in 1992, with the approval of Law 24,065 by the government of Carlos Saúl Menem (1989-1999), the electricity sector was aligned with what had previously been proposed by initiatives such as the State Reform and Administrative Emergency Law: generating conditions for the advance of private management of what had been, up until that point, public assets.

Specifically, in this case, that change was carried out through implementing the Electrical Regulatory Framework, which established basic guidelines for awarding companies to private economic groups. One element

that stands out in that sense was the creation of the Electricity Regulating Entity (ENRE), which was tasked with ensuring that the winning companies complied with existing regulations and correctly operated their plants according to certain quality standards, which supposedly could not be sustained with state management. In regards to selling energy from its generation sources, those operations would be put under the administration of the Wholesale Electricity Market (MEM), whose logic of operation would be guided by the setting of "equilibrium" prices through the spot market. In the Greater Buenos Aires Metropolitan Region, the result of this legislative battery was the segmentation of SEGB into two private companies: EDENOR and EDESUR, which would "equally" divide the provision of electrical service in the Federal Capital and different municipalities surrounding the city. That operation would be repeated at a larger scale throughout the country (ENRE, 1998).

It was said that the purpose of these policies was to improve the electricity system's operation, as it was accused of being inefficient. Similarly, it was argued that users would be the main beneficiaries. However, there was not general consensus around that interpretation and the situation gave rise to multiple forms of resistance.

One of those expressions of resistance to the neoliberal directives was seen in the trajectory of the Federación de Trabajadores de la Energía de la República Argentina (FeTERA) [Federation of Energy Workers of the Argentine Republic] and its struggle for the recognition of electric energy as a right. One episode in favor of this conception that stands out was the proposal for a social rate for the province of Buenos Aires, whose genesis and development we will discuss in the following section.

Against the Dominance of the Neoliberal "Only Way of Thinking"

The formation of FeTERA is closely connected to the critical economic, political, and social changes provoked by the rise of liberalism starting in the late 1980s and early 1990s. Emerging in an organic and statutory way in 1995, FeTERA set out to bring together all the unions and independent organizations of workers in the energy sector that opposed the prevailing state of affairs, characterized by the dominance of global capitalism, which destroys rights and jobs, and excessively exploits nonre-

newable energy sources (FeTERA, n.d.). The Federation was especially nourished by sectors tht were upset with decisions made by the historical union of electricity workers, Luz y Fuerza. It also included state workers, coal workers, those in nuclear energy, and those who lost their jobs in the process of YPF's privatization, among others. FeTERA was an expression of a change in era in the working class in Argentina and formed part of the Central de Trabajadores de la Argentina (CTA) [Argentina Workers' Central], created in 1991 as a result of the confrontation between growing sectors of workers and leaders of the main unions of the Confederación General del Trabajo (CGT) [General Labor Confederation], who they accused of being complicit with the privatization of public companies and of acquiescence in the face of loss of labour rights (Gutiérrez Ríos, 2017).

According to **Gabriel Martínez – former General Secretary of Luz y Fuerza, Mar del Plata and former Secretary of Organization of FeTERA – the situation at the beginning of the 1990s not only reflected a process of disintegration of state participation in social life, due to the alienation of service providers, but it also demonstrated the appearance of "statistically structural indigence".** That general precarization of life, the result of a generalized loss of rights, effected the possibility of having access to the minimum consumption of basic services necessary for decent living conditions.

Strictly regarding electrical services, Martínez recalls that, after privatization, in the city of Mar del Plata, privatized companies attempted to remove the electric meters belonging to users that were behind on their payments who repeatedly and actively resisted that operation, sometimes with violence. Added to this complex panorama, which involved risks to the physical integrity of electricity workers, was the growing political unrest among them. Consequently, the removal of meters requested by companies were seldom carried out, despite the boards' attempts to involve police forces and judicial power, resorting to the figure of "electrical fraud".

As mentioned above, one of the elements highlighted by the organization of workers who were dissatisfied with the direction taken by the Peronist government's economic policy had to do with their discomfort and rejection in respect to the attitude adopted by the most important unions. According to Martínez, **"the privatizations received union support in most cases and in some aspect, or in many aspects, they became partners of the privatizations because they participated as board members, as members of the boards of privatized companies"**. However, faced with that situation, the position of the Mar de Plata section of the Luz y Fuerza union stands out. It confronted the pro-

cess of privatization and labour flexibility in all its aspects, at least until 1997, when part of its membership decided to form another organization with positions akin to the dominant neoliberal ideas.

As the 1990s advanced, it became increasingly clear that privatizing were impacting affected the lives of large popular majorities. In the case of public services, one issue became pressing: that it was impossible for the large, increasingly dense, pockets of the unemployed population to pay any type of rates.

> **According to Martínez, "there were families of unemployed people everywhere, the unemployment rate was very high. Those sectors completely lacked an income, because, unlike the different types of subsidies that exist today, in the 1990s they were not yet present or were still being invented".**

Despite the fact that the minimum conditions of a dignified life were increasingly precarious, the popular sectors' capacity of resistance should not be underestimated, as is demonstrated by the strategies that they used when the companies managed to carry out a cut. The leader of Luz y Fuerza Mar del Plata recounts, faced with a similar situation: "the neighbour grabbed a ladder and continued consuming, that happened with many neighbourhood residents: in the late 1990s and early 2000s, tapping into the electrical grid was a very common scenario in a large part of the province of Buenos Aires, not only in Mar del Plata or the coast, but in all of Greater Buenos Aires".

Despite this scenario of opposition from below to the pauperization of life, the workers in FeTERA felt the need to go further and ensure that a certain minimum level of energy consumption would be recognized as a right. A first step in that sense was to try to break with the inertia caused by the series of defeats they had suffered. Martínez comments, "we needed to create alternatives of resistance, invent resistance and convince others that it was possible. To do so we had to convince ourselves and that was a very difficult job. In the Luz y Fuerza union building we had a sign that said 'yes we can,' and there were many comrades who did not understand what it was that we could do". **One of the main lines of this projection toward the future consisted of generating consensus around the idea that the solution for those who had fallen from the system was not to steal energy, with more or less ingenious methods, but rather to legally guarantee their access to energy.** At that time, by the end of 2000, the possibility of proposing a social rate for electricity started to be discussed more specifically.

With the premise that protest is the first step of resistance, Luz y Fuerza Mar del Plata was the first social agent to denounce the Empresa Distribuidora de Energía Atlántica (EDEA), responsible for providing electricity to the main seaside city and to other places on the coast. After a series of actions that included mobilizations of employed and unemployed workers, major roadblocks, and the "symbolic takeover" of the company's offices, the municipal government started to pay more attention to the demands of those affected by difficulties accessing energy. The government of the province also started dealing with the issue. One important milestone in this path was the meeting that took places with authorities from EDEA in December 1999 thanks to the work of José Rigane, then General Secretary of Luz y Fuerza and the FeTERA. Different representatives of the CTA, neighbourhood and university movements, and representatives of small and medium-sized businesses also participated in that meeting.

The demands encompassed certain basic issues: the need to provide reconnection facilities for users who had lost legal access to the service, refinancing debts with the company, and the cancellation of unpayable bills that ranged from $100 to $200 (at that time equivalent to the US dollar). Before a commission made up of the different participating sectors, the company promised to demand that the provincial government make itself present to resolve the demands). Unlike what had happened up until then, they were able to force the governor of the province of Buenos Aires Carlos Ruckauf and other local officials to promise to study how to develop a social rate for Mar del Plata and to establish a general reduction in electricity costs (CTA, n.d.).

The involved sectors constantly mobilized in different points of the province of Buenos Aires, and thus this first success continued with Resolution 17 of the Ministry of Public Works and Services, in January 2000. That resolution authorized energy distributing companies to "grant current residential users with scarce existing or future resources, lower rates than those that had been regulated in each period". This provision was derived from the letter of the Regulatory Framework which proposed that everyone should have access to electrical service. The bombshell of Resolution 17 installed the conviction that energy could be considered a social good and that access to energy was a right that no user should be excluded from for economic reasons on the legislative scene once again.

Another episode in that direction materialized in June of that same year with provincial decree 1,522 that proposed a reduction of up to 40 percent in the rates and taxes associated with them in the case of users included in the Social Interest Rate, for low-income sectors. To be entitled to this be-

nefit, the user had to be in conditions of "demonstrable poverty", a euphemism to refer to unemployed workers, retirees, pensioners, etc. Likewise, it was established that the EDEA and another 180 cooperatives scattered throughout the province had to abide by the new decree, and FeTERA was especially placed in charge of supervising their compliance.

This culminated in May 2001 with the enactment of Buenos Aires Province Law 12,698, the Law for Granting a Social Interest Electricity Rate (TEIS) for electricity distributors.

In its first article, the law defined its scope affirming that "electricity distributors in the area of the Province of Buenos Aires can grant existing or future residential users categorized in the residential rate T.I.R., who are unable to access or maintain minimal electrical service, rates of up to 40 percent less than those regulated for each period for up to 150 KWh per month, which will be named the Social Interest Electricity Rate (TEIS)".

Although it can be understood as a minimal victory – Martínez says – the enactment of the law represented a step toward other social conquests for making it possible for the citizenry to access basic services. While it did not achieve the maximum objective of recuperating public management of privatized companies, the struggle contributed toward creating a common sense that could not even be overturned by right wing governments such as that of Mauricio Macri (2015-2019). Hence, even during that period in which popular sectors suffered major setbacks, social rates for natural gas, running water, and public transportation were maintained and even expanded. **Finally, the historic representative of FeTERA Mar del Plata states, the balance of the experience of struggle for access to electricity in Buenos Aires was also positive in terms of generating international precedent, as seen by the fact that the initiative was studied and implemented in countries such as Spain, Mexico, and Uruguay.**

3.2.

MÉXICO
ELECTRICITY BELONGS TO THE PEOPLE

Like Uruguay and Argentina, Mexico has a long tradition of links between the population and energy mediated by state action. The expropriation of the oil industry in 1938 became, in fact, a global milestone that contributed to the dominant model of public management of that activity in the second half of the 20th century. The first protests in defense of public electricity began in parallel to those struggles over oil. Both processes are the necessary precedents for understanding the existence of a strong users' movement today that is also articulated with the sector's unions for demanding the human right of access to energy. In this section, we will review the movement's histories and key demands, with the aim of making a contribution to the Latin American discussion based on the elements in play in the Mexican public debate.

Energy and Poverty in Mexico

The large majority (97.8 percent) of Mexican households have access to electricity. However, according to a spatial classification of energy poverty carried out by researchers Rigoberto García-Ochoa and Boris Graizbord, 36.7 percent of households are in a situation of energy poverty. The authors arrived at this conclusion by measuring energy poverty based to the absence of one of the following assets: lighting, entertainment, ability to heat water, stove, efficient refrigeration, and thermal comfort. Following those parameters, the most

determining element of energy poverty is the lack of thermal comfort (33 percent), referring to households exposed to ambient temperatures over 26° C that do not have ventilation systems. The research shows that there are major territorial differences: while the average rate of energy poverty in the three southern states – Guerrero, Oaxaca, and Chiapas – is 71.4 percent, in the state of Baja California it drops to 12 percent. Another important element that this study mentions is that 34 percent of household final energy consumption corresponds to firewood, which speaks of potential harmful risks to health and the environment (García-Ochoa and Graizbord, 2016).

As we will see below, this panorama of difficulties in accessing household energy is situated in a broader process that has traversed Mexican energy policy over the last two decades. During that period, the state's presence in the sector weakened and a neoliberal electricity model took shape that opened the doors to "market" forces. According to Humberto Montes de Oca Foreign Secretary of the Sindicato Mexicano de Electricistas (SME) [Mexican Union of Electricians], this process "left the sector under the laws of the market and the market does not have a social consciousness. For the market, energy is a commodity that has to generate dividends, it has to generate profit. We have proposed that energy should be conceived as a human right".

The loss of a conception of energy as a public good opened a cycle of mobilizations that brought the issue of guaranteed access to energy into the national debate. In what follows, we will delve into the genesis of these mobilizations and their trajectory.

The Extinction of Luz y Fuerza del Centro

There have been important precedents to the conflict around energy access in central Mexico since the 1990s. There were confrontations caused by the neoliberal schemes that president Carlos Salinas de Gortari sought to apply to the energy sector in the framework of the **Washington Consensus.** However, the current moment is more linked to a deepening of the neoliberal phase in the first decade of the 21st century. **The combative position of electricity users was defined during this period marked by strong by strong mobilizations of different social sectors.**

In effect, with the **decree of the extinction of Luz y Fuerza del Centro** (**LyFC**), driven by president Felipe Calderón in October of that year, the historic public electricity company was made available for private ownership. The new rules of the game for the sector were deepened in 2013 with the so-called "energy reform".[2] The closure of LyFC meant that 44,000 workers lost their jobs in a period when the government's illegitimacy was growing. The liquidation of the company provoked major demonstrations in solidarity toward the **Sindicato Mexicano de Electricistas** (**SME**) **[Mexican Union of Electricians]**, which included the majority of the company's workers, and thus remained in the centre of social struggles during that period.

The extinction decree provoked a rapid and intense mobilization by the union, which primarily consisted of street agitation with very wide participation. At the same time, workers occupied the job posts that they had been fired from with the constant threat of police eviction. The sense of danger was not exaggerated because the police ended up deploying some 30,000 officers. According to Humberto Montes de Oca, those who made political decisions in Mexico "destroyed the rule of law in an attempt to exterminate our union organization since it had struggled for two decades against the attempts to privatize the national electricity sector".

In parallel to the workers' actions, there was massive and repeated attendance of the affected in the offices of the Federal Electricity Commission (CFE) in search of some type of response from the state. However, the inability of that institution's officials to solve users' problems only aggravated the situation, whose helm was largely taken over by the SME and left-wing parties. **It was then proposed that users stop paying electricity bills and that institutional resources be dedicated to drafting injunctions and different types of legal support** (Cardoso, 2018).

2 _ Enrique Peña Nieto's government modified articles 25, 27, and 28 of the constitution, which meant the end of Petróleos Mexicanos (PEMEX)'s monopoly and the Federal Electricity Commission. With the excuse of increasing competitiveness and profit margins, as well as improving household economies, the government granted large prerogatives to private capital, both in the extraction of hydrocarbons and in the generation and distribution of electrical energy.

An Assembly to Fight as Users

In the heat of that common struggle, the SME and users started to articulate forms of organization with greater density. Thus, in 2010 the **Asamblea Nacional de Usuarios de la Energía Eléctrica** (**National Electricity Energy Users' Assembly, ANUEE**) was established, with the support of the SME and neighbourhood committees that had been previously constituted in different places across the Mexican territory. **The main demands revolved around three axes: 1) forgiving users' debts; 2) determining a social and just rate; 3) elevating electrical energy to the rank of a constitutional human right.**

Juan Carlos Escalante, a spokesperson from the Assembly, considers that the reforms that the Executive Office imposed on the electricity system, due to their nature, date back to the North Atlantic Free Trade Agreement (NACLA), signed in 1994. While the neoliberal imprint penetrated all of Mexican society, it also generated multiple pockets of resistance. Although not as spectacular as the Zapatista uprising in Chiapas that exploded when NACLA was implemented, the neighbourhood committees from different places reveal the latent rejection of the commodification of social life. Those committees were the backbone that allowed the ANUEE to nationalize its demand, as demonstrated by its statements, not only in the metropolitan area of Mexico City, but also in the outskirts of Hidalgo, Morelos, Cuernavaca, and Puebla, among other cities. The mobilizations and follow-up of presentations to the Federal Consumer Prosecutor's Office (Profeco) were orchestrated through different coordinating bodies and responded to what was decided in periodic meetings at the local level. Thus, they could maintain, for example, activity in neighbourhoods such as Jardines de San Lorenzo, in the outskirts of Mexico City, which at the end of 2017 still had 350 active members.

Sociologist José Cardoso historicized the Assembly's political process, which is broken down into several stages. The first precedent was the SME's connection with citizen organizations starting in the 1970s, particularly with sectors in defence of petroleum in the years prior to the closure of Luz y Fuerza del Centro. The union thus found it possible to share agendas with diverse movements. With this model in mind, users' groups were promoted through intense territorial work in neighbourhoods. In that way, they constructed a social base, linking the closure of LyFC with local problems such as the instability of supply and, particularly, the increase in rates.

The relationship between the union and users occurred gradually because some people had a negative view of the service provided by LyFC, an

opinion that was added to the government's privatizing discourses that promised a decrease in rates. The mass layoffs first triggered a reaction of solidarity that brought the union closer to the neighborhoods, a process that was consolidated when problems appeared in the household electricity supply, from intermittent service to prolonged blackouts. The most important moment in the changes to electricity legislation and the effects they produced occurred when a new rate scheme was proposed that created significantly higher rates than usual and that were often impossible to pay. "It was the electricians who knew the electricity service in the central region. Then, faced with cuts, the comrades created brigades that would go around reconnecting users who lost electricity, thus that relation became much closer by bringing them into their fight", Escalante says.

> **Cardoso adds, "the union's presence became permanent, because, as complaints increased, it became necessary to go to the neighbourhoods, to provide information, collect documents, and share events related to the electrical industry and the union".**

With this they built spaces for spreading the electricians' struggle and sharing the SME's situation with the population; that way a shared agenda took shape, since the users' situation and demands were linked to the union's negotiations with the federal government (Cardoso 2018: 167). That researcher argues that, while the SME encouraged the organization of users, the movement gained independence with the creation of the ANUEE, without cutting the original organic tie. The demands presented by the Assembly were even the same as those originally presented by SME. That consolidation of a social base allowed the union to concentrate on labour demands while the users' movement grew to the mass level.

"I see that solidarity as a condition for understanding the emergence of the ANUEE", Escalante argues. **"Usually we never mix workers' struggles with those of users in almost any service**. In other words, in health care, there are health care workers who seek to improve their living and working conditions by increasing their wages, but they do not pay much attention to the sector in general and even less to the rights of healthcare users. That also happens in the area of education. In our case, a different relation occurs of how the two sectors can work together to maintain and improve a public service. **Calderón's government sought to isolate the electricians from their natural base, but the result was precisely the opposite: we became their natural allies".**

When it comes to evaluating the community reaction, we should not forgot how the general organization of life and production were impacted

by the changes in the rules of the game in the energy sector. In October 2009, for example, the Asociación de Industriales del Estado de México [Association of Industrialists of the State of Mexico] denounced that 758 industries located in Naucalpan, Atizapán and Ixtapaluca had been forced to cease their activities due to the lack of electricity. Small neighbourhood businesses also suffered for that same reason, facing important losses of merchandise due to the interruption of the cold chain. At an even more sensitive level, the intermittence in supply also had repercussions on the health system, to the point that it was often necessary to postpone or even cancel delicate medical procedures (Cardoso, 2018: 197-199). All of these circumstances, understood as **the breaking of a sort of "moral contract" between the state and citizens,** catalyzed the forces of organization around the ANUEE and also prolonged direct and legal actions regarding the dependencies of Profeco and other public agencies seen as responsible for that social suffering.

Demands: Clean Slate, Rates, and Right

For Cardoso, the supply problems along with the increase in rates embedded the extinction of LyFC in daily life. "Thus a grievance was constructed around the users, in which what was apparently a labour problem was interconnected with a conflict that caused a rupture in their daily life", he argues (Cardoso, 2018: 196). That alteration of daily life by supply problems created an abnormal situation in users' lives which was expressed as a collective problem.

The collective expression was based on a series of demands that, as we mentioned above, had been previously raised by the SME and were taken up again and, in some cases, resignified by users. The first demand had to do with debts for unpayable bills, considered unjust and illegitimate, for which a "clean slate" policy was promoted, in other words, the cancellation of the historical debt of electricity users. Those disputes have a long tradition in other Mexican states, such as Tabasco. In 2021, after more than three decades of struggle, the government of Tabasco reached an agreement with the CFE to forgive the debt of more than 607,000 users.

"The clean slate is a matter raised by a state with a social character because the population cannot handle those costs. But, with the current rates and

conception of private electricity, you quickly get into debt again, so the clean slate is not sufficient. That is the nature of it: if you don't fully change this conception of electricity to one of a human right guaranteed by the state through the social rate, then the same circumstances will reoccur", Escalante argues. In this way, **the demand for a clean state was complemented by a second pillar: the struggle for a social rate "in accordance with workers' wage levels and socioeconomic condition", as stated by the assembly** (ANUEE, 2017).

Along with the clean slate and social rate, a third demand expressed by the Assembly was the conception of energy as a human right elevated to the constitutional level. Cardoso's investigation states that the first two demands were transversally shared by the Assembly's grassroots level. The idea of energy as a human right, on the other hand, although present since ANUEE's beginnings, was consolidated "through a symbolic process that took shape over time and it could be said that it has not yet concluded" (Cardoso, 2018: 232).

As mentioned above, the 2013 constitutional reform added a fourth element to the dispute because the Assembly interpreted that reform as one more step in the sector's privatization. Therefore, it demanded that "electrical energy be renationalized to regain electricity's nature as a public service and the electricity industry, as a strategic industry for the national economy, along with the reestablishment of sovereignty that that implies" (ANUEE, 2017).

> **"I think that is where the fight is", says Escalante. "Not only to propose electricity as a human right, but to fight until the people are the ones deciding what to do with electricity. Ultimately that is where the path lies. Some users' organizations vindicate: electricity belongs to the people and we have to use it for our service, for our development and, for everything, as long as it is associated with the exercise and application of other human rights".**

Toward Another Way of Managing Energy

Throughout this section we have seen how the neoliberalization of the Mexican energy sector implied a major transformation of how the sector was conceived. Not without criticisms of the old Mexican state model of management, there was a shift from a notion in which energy and its management had a strong connection with the state to one in which "market" interests were prioritized. One of the most notable effects of that metamorphosis was seen in the electricity sector.

Thus, the extinction of LyFC and the advance of the private sector, far from crystallizing in infrastructure improvements and in the quality of service, manifested in several negative phenomenon, such as intermittent supply, blackouts, and exorbitant rate increases that sometimes became simply unpayable. In this context, the ANUEE was created, which brought together many pre-existing neighbourhood groups with the mobilized SME and leftist parties.

While the goal of forgiving users' debts and applying a social rate was only partially met, the mobilization has not been definitively deactivated. The struggle for the recognition of energy as a social right persists. In the words of Humberto Montes de Oca,

> **"users made us think about the need to also focus on the issue of democracy or the democratization of energy in terms of participation. The transition is not only a question of changing the way of generating electricity, but it also has to do its social management".**

3.3.

URUGUAY
THE RIGHT TO ENERGY IN THE TRANSITION

Uruguay has become a paradigmatic country for the debate over the energy transition on the continent. For that reason, the characteristics of the disputes over energy in that country allow for problematizing the issue of access in a regional sense. To introduce ourselves to the specificities of the case, we will review a few of the main struggles related to energy that have taken place in Uruguay

First, we will refer to the tradition of public management of electricity, which gives rise to the demand for the human right to energy. Second, we will problematize the issue of access to that good. Finally, we will reconstruct the debates around rates and conclude with a series of proposals to improve public access. We will do so from the perspective of the AUTE, the union of workers from the state electricity sector and the team of economists from Cooperativa Comuna, who have elaborated a series of diagnoses and proposals.

Public Energy as a Human Right

There are a number of features of Uruguay's energy system that determine the current situation of electricity access. **The first is the absence of fossil fuels in the country, meaning that their use depends on imports, primarily of crude oil, which is refined by ANCAP, the state oil company. The second – partly caused by the former – is**

that since 2008 there was an accelerated process of transition in the electricity system: almost all thermoelectric production was replaced by wind energy, which now makes up 45 percent of the total. The rest of the electric energy comes from hydroelectric plants. Thus, Uruguay burns the fewest fossil fuels of any country on the continent to produce electricity. A third characteristic that stands out is the importance of the public sector that, through the **Administración Nacional de Usinas y Trasmisiones Eléctricas (UTE) [National Administration of Power Plants and Electricity Transmission],** has a monopoly on the transportation and distribution of electricity, while ANCAP is responsible for refining and distributing oil.

Those elements demarcate a characteristic feature of the energy sector: a connection between the people and energy, mediated by the state. When it was created, in 1912, the UTE was granted a monopoly over the generation, transportation, and distribution of electricity. Based on thermal and hydroelectric generation, the UTE achieved nearly 80 percent residential electrification in the country and practically universal coverage in Montevideo by the early 1960s.

The civilian-military dictatorship that started in 1973 passed the National Electricity Law, which eliminated the rate tables and cancelled the monopoly on generation and distribution previously held by UTE. However, the most significant changes occurred in the 1990s, when Luis Alberto Lacalle's government sought to privatize the public companies, a move which was revoked in a plebiscite in 1992. As of 2005, the Frente Amplio government has meant, in terms of energy, the promotion of a plan for 2030 that returns to a vision of energy as a strategic resource. Furthermore, that plan considers that access to energy is a right and proclaims that policies regarding the sector must have a social element.

It is worth mentioning, however, that prior to and in parallel with those experiences, there were (and continue to be) diverse expressions of popular dispute over energy. In 1935, for example, the Comisiones de Vecinos Pro Rebaja de Tarifas [Neighborhood Commissions in Favor of Lowering Rates] were established in the city of Mercedes, which was repeated in 1963 in Mercedes, as well as in Paysandú. In 1946, the UTE created rate commissions with the goal of reducing and unifying rates. In 1949, the Agrupación de Funcionarios de la UTE (AUTE) [Organization of UTE Workers] was created in response to an increase in rates. Since then, that organization has carried out historical mobilizations – such as the strike with a service cut in 1959 – in which it brought toge-

ther wage demands with a political and social perspective. **During the 2010s, AUTE was one of the largest and most active unions in the PIT-CNT, Uruguay's single union federation of Uruguay.**

One fundamental element of AUTE's political proposal is the conception of energy as a human right. From their perspective, energy services are crucial for access to food, water, healthcare, and information, among other fundamental goods. They understand that "the lack of safe access to appropriate quantities is strongly correlated with problems of structural poverty […] there is no substitute for energy and therefore it constitutes a use value that is as basic as air, water, and land" (AUTE and Comuna, 2018). This conception of energy as a human right shapes the debates about access to energy that we will examine below.

Energy and Poverty in Uruguay

In opposition to the public demand for energy arising from the AUTE and different popular movements, and despite the Frente Amplio's own vision of energy as a strategic resource, Tabaré Vásquez's first administration (2005-2010) carried out an unprecedented policy of privatization of the energy-generating sector. Through a bidding process, several wind energy projects were granted to private companies, especially foreign ones, with such intensity that it placed Uruguay at the forefront of the generation of renewable energy in the region. If biomass generation and the marginal photovoltaic production are added to the wind projects, in 2020, 81.8 percent of Uruguay's installed electricity capacity was controlled by private capital. There is an intrinsic tension in these projects that generate electricity with renewable resources proposed in an emergency situation due to the climate crisis but that, on the other hand, involve the privatization of the sector.

This is one of the key issues in the current debate in Latin America: thinking about what type of energy transition is occurring and to what extent a supposedly "green" vision of capitalism has managed to engulf environmental discourses.

During the Frente Amplio's administrations, the privatization of energy generation was the result of a shift toward renewable resources that conceived of the private sector as a better manager of electricity and ques-

tioned the role of the UTE, as well as the conception of access to energy as a right. Ultimately, those measures ended up commodifying the sector through deeds and the foreignization of its assets. This thus completed the privatizing logic of the 1990s, which had encouraged market concentration in the sector known as "large consumers". That sector, primarily made up of industries, received institutional recognition and acquired disproportionate lobbying and advocacy capacity to influence energy policy (AUTE and Comuna, 2018).

However, those shifts in energy policy were carried out in a panorama of nearly universalized access to electricity. In 2006, only 2.3 percent of Uruguayan households did not have access to energy and another 4 percent had an irregular connection. That relative universality of access does not erase the major social inequalities that the electricity system reproduces. In the lowest income decile, 25 percent of households have an irregular connection to the grid.[3] Economist **Pablo Messina**, a member of the Comuna cooperative, breaks down the energy consumption of different types of households to illustrate these inequalities. He highlights that the poorest households allocate 6.7 percent of their income to energy consumption, while the richest decile only allocates 3.5 percent of their income. He also points to the use of different energy sources according to social sector or territory: in the higher income sectors, electricity is used more; in Montevideo more people have gas connections, and in the interior of the country, the main energy source is firewood (Messina, 2015).

Based on this analysis, Messina debates the idea of energy poverty in the Uruguayan context. "It is true that electricity access is practically universal in Uruguay. The bulk of people access electricity safely, in other words, they are not energy poor. But when you look at what they can consume and the cost it implies for them, it is brutal. Therefore, understanding energy poverty in terms of access, as some global definitions do, is very limited, because in reality these households are nowhere close to consuming sufficient quantities".

3 _ According to a report by the Inter-American Development Bank, Uruguay lost 19 percent of its electricity production between 2008 and 2012, while in Latin America as a whole the loss was 17 percent. This is due to technical (transportation efficiency) and non-technical (theft and fraud) problems. The issue of irregular connections to the electricity grid are widespread across Latin America and involve different residential and industrial sectors. However, there is a persistence of criminalizing visions that only register those cases when they occur in low-income sectors.

To the contrary, Messina suggests taking into account the possibility of regular access as well as the proportion of household income spent on energy.

The Dispute over Rates

As in other countries on the continent, rates are a key element of the debate over electricity in Uruguay. One issue that makes it similar to other countries, such as Argentina, is the complexity of the rate structure and difficulties in delving into its understanding due to the lack of data or research. In broad terms, it can be determined that there are several different electricity rates, for example, a differentiated price between residential consumption, medium and large consumers. As we mentioned above, this results in different relative costs for consumers, for example different households or types of industry.

Pablo Messina argues that "generally when someone comes from outside the country, they say: 'Wow, the rates in Uruguay are expensive, aren't they?' It's not like that. You have to take into account that the rate is not level, it cannot be calculated, but rather it has a structure and it is according to the type of consumer. You have to be very careful making that comparison, when you disaggregate it a little more and look at the Uruguayan residential rate and compare it to generators that have a customer per square kilometer density that is similar to that of Uruguay, it is not the most expensive either. In fact, when you compare it to Argentine companies with a customer density similar to that of Uruguay, the private companies are more expensive than the public ones".

AUTE and the Comuna cooperative carried out research on the rate structure in which they analyzed the evolution of rates between 1990 and 2017, emphasizing that, while the residential rate increased 0.4 percent in real terms, that of large consumers fell 21.5 percent. That difference did not follow an issue of costs, but rather an adjustment policy, particularly during the 1990s. Along with that disparity, AUTE and Comuna highlight that, on average, households pay double the kWh than the industrial sector (the "large consumers") and that the relative effort made by households is greater than that of the productive sector (AUTE and Comuna, 2018).

Taking these elements into, the union of electricity workers initiated a campaign in 2017 in which they don't emphasize the rate cost, but rather the unfairness of the rate structure. "There is no doubt that this insistent demand of the Uruguayan

people to 'bring down electricity rates' has absolutely valid motives that must be addressed once and for all. There is a real problem, but more than discussing the specific price that households pay, we have to understand the 'why' behind why they pay so much", the union argues in a statement with which they launched the campaign: The rate is unfair, lowering it is possible (AUTE, 2017).

For the AUTE, the reasons behind the unfairness of rates are not only found in the virtual subsidy to large consumers, but also in the structure of private electricity generation, which implies high costs for the state. "In short, a lot is paid to guarantee that medium and large electric energy consumers pay little, so that the private energy generators continue getting rich with the abusive business of changing the energy grid".

In terms of proposals, the AUTE believes that it is possible to lower the rate, without this process weakening the public company. To do so, they propose increasing the rate for the productive sector (particularly that grouped in the category of "large consumers") and decreasing that of residential consumption. The proposal is based on data, such as the greater effort made by households to pay for electricity, the reduced quantity of users in the "large consumers" sector (0.03 percent of users consume more than a quarter of the total of that sold by UTE in the domestic market), and the existence of a series of tax benefits that those companies receive.

A second element is related to the elimination of the VAT on the cost of the rate, which is currently over 22 percent. This would mean that the first 200 kWh monthly would be exempted from paying the VAT as they would be understood as basic consumption. There would be other exemptions, such as the VAT for "fixed charge" and the "fixed charge for power" that are based on the need to cover access to energy as a human right and the need to differentiate between the consumption necessary for developing human life from that of luxury consumption. Funding this reduction in the VAT would be compensated with an increase on the rates for large and medium consumers, along with a modification of the residential rate, to discriminate against large residential consumers, as well as tax modifications (AUTE and Comuna, 2018).

This discussion became even more important in the context of the COVID-19 pandemic and the rise of debates over a universal income. For example, in April 2020, the Mesa Sindical Coordinadora de Entes Autónomos del Uruguay (Union Table Coordinating Autonomous Entities of Uru-

guay) proposed a basic staple set of public services that included guaranteed access to 13 kg gas canisters, 180 kWh of electricity, 50 gigabits of internet, and 10 m^3 of drinking water for all households with workers without social protection or beneficiaries of unemployment insurance, as well as households in with people over the age of 65 with low incomes.

> **At heart the problem is not that the rate is expensive", Messina argues, "but rather it has to do with structural problems of employment, a dignified wage, good work, a good house. Of course, nobody should be unable to satisfy their energy needs, there is no doubt about that, but the heavy lifting lies in ensuring that people have jobs that are not precarious and more consistent incomes".**

A Movement to Democratize Energy

Comuna emphasizes the need to abandon the logic of the market and prices as a rationalizer of consumption. In this process, it underscores the role of the public company, as well as the historical electrification process carried out by the UTE. As one example, it cites rural electrification, which was carried out at a loss, with the surplus from the rates charged in Montevideo, which were necessary to finance broad territorial access. In the same sense, Comuna accompanies AUTE's proposal to lower the rate, because "beyond the discussion around what type of instrument is better, we understand that measures such as 'social rate' or commercial discounts, subsidies, or grants, are necessary to ensure affordability". Along with those measures, it argues that, based on the international experience, it is necessary to instrumentalize official evaluations of energy poverty, since, while these evaluations do not "eliminate poverty". they recognize it and, through ad hoc measures, tend to regularize or avoid extreme situations such as cuts for lack of pay (Comuna and Taller Ecologista, 2020).

> **I think that they are the political actor that has to take up that flag, because the best policy against energy poverty is a good house for everyone".**

AUTE, meanwhile, considers that "it is fundamental to construct social forces that are capable of thinking about, proposing, and carrying out the transformation of current social relations related to electricity". Returning

to the historical struggles of users movements, the union argues that "it is possible to design a new social and/or institutional force that adopts the old objectives of the Rate Commission to our country's current situation and, to do so, it is essential to consolidate a Movement of Electricity Users" (AUTE and Comuna, 2018).

For his part, Pablo Messina proposes the historical Uruguayan sector of the housing struggle as the motor of the new struggle for energy access: "the wager was on promoting a users' movement in a twofold sense: connected to rates and in another deeper sense that has to do with the democratization of the electricity market, in which neither the UTE workers nor residential users participated. That is an idea that is still thrown around but it has not materialized. If you ask me, **I think that housing cooperatives are very important users and they could be the launchpad for a movement, in alliance with AUTE.** I think that is the challenge, rather than creating a movement of electricity users.

4.

CONCLUSIONS

Conceptions such as fuel and energy poverty help quantify the access difficulties faced by different populations across the world, especially when studies focus on the satisfaction of needs rather than the issue of family incomes. Thus it was possible, for example, to establish criteria of differentiation between the relative expansion of power lines at the national scale in countries such as those of the Southern Cone and Mexico, and difficulties in ensuring that electricity access is safe and affordable. Regardless of methodological perspectives, which are not neutral and imply different approaches to the issue, the study of energy poverty contributed to making visible the structural failures of the energy system and, therefore, allowed for politicizing the question of access.

This theorization, primarily elaborated in central countries and, to a lesser extent, in Latin America, is linked to a Latin American tradition of struggles over energy access. In many countries in the region, that trajectory is framed in a short-term collective memory, in which local communities' relationship with energy was associated to a service provided (and in some cases guaranteed) by the state. Therefore, users' demands in those countries result from the loss of a right, particularly following the privatization of energy services. That process did not occur in one single moment – for example, the 1990s was very intense in Argentina, while in Mexico the situation intensified in the following decade – nor has it completely concluded: it has even suffered setbacks. Among those, in 2003, the gas war in Bolivia was a milestone in defence of energy assets.

The issue of access, then, implies a primordial element linked to the conception of energy as a human right and the struggle for public management. From there, other conflicts common to different countries in the region emerge, such as demands for a social electricity rate, for debt forgiveness, and for an end to supply cuts, among others. In other words, by delving into the fundamental issue of this report, we found a historical struggle based on long-term repertoires of action, although always in new configurations. Although the loss of social rights tends to function as a trigger, it is important to point out that this is not necessarily linked to a demand for a return to the preneoliberal state.

Humberto Montes de Oca, from the Mexican Electrician's Union, illustrates it with an example from his country: "as the state withdrew from the economic arena, as it dismantled the so-called welfare state, access to rights became increasingly more interrupted and difficult to achieve. We don't believe in the restoration of the public based on that vision, that of a paternalistic, corporate state, the state that does everything and decides. We think that it is important to open a space of participation, of social management of everything: assets, politics, and democracy".

Another important issue for analyzing the issue of energy access is the need to think about energy in general, and electricity in particular, not as mere commodities bought and sold within a determined business model, but rather as part of a system in which multiple elements are brought together. Looking at this struggle allows us to recognize that issues such as socioenvironmental injustice – the contamination generated by energy exploitation – is directly linked to injustice in consumption. Problems of energy access are not a debt or a "problem" of the system, but rather, its logical consequence since its internal dynamics produce "winners" and "losers". The energy waste of certain concentrated sectors is the other side of the coin: the territorial dispossession of populations impacted by extractivism, the destruction of traditional economic activities, and the lack of energy access for the lowest income sectors. These are dynamics of accumulation by dispossession, demonstrations of the prevailing uneven and combined development.

Far from being a particularity of only one sector, the dynamic of the energy system is a reflection of an unjust and impoverishing social and economic system. In this context, when it comes to thinking about and identifying difficulties in accessing energy resources, it is essential to practice a vision that does not see people deprived of energy as objects, but rather as historical subjects who demand the right to energy through struggle and organization. In short, the dispute must be raised in a political register.

This is shown in the cases taken up in this report. The three cases share certain elements, such as a strong presence of workers, grouped with other sectors of the population that come together to achieve electricity access. Those disputes are not watertight compartments that begin and end in those demands. In fact, struggles for access to potable water are intimately tied to the issue of energy, to the point of becoming confused as one in certain processes, both due to the characteristics of extraction and those of consumption. The dispute for dignified housing is also part of those same processes. They are the continuation of a long Latin American struggle that rejects the commodification of life. At a time when global – energy, ecosocial – transitions are being discussed, these local struggles should occupy a central place in the dispute because they remind us all that we need water, energy, and land to live.

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