

On the principle of Universality and the private management of public services: a semantic analysis of the conflict

Jorge L. Karol [1], Cecilia Cabrera and Rómulo Pérez [2]
Advanced Institute of Planning, University of Buenos Aires

Abstract

The collapse of State-centralized management model in Latin America gave rise –during the 90's- to urban public services' management instruments designed under a maximalist market-driven conception.

Today, networks' dynamics and tariffs' systems are at the core of the current debate about these services' private management in Argentina.

Severe population outbursts claim a complete review of public services management scheme. Novel designs fostered by global companies and multilateral agencies – e.g., out-of-network deliveries or differential qualities for the poor – crystallize socio-spatial fragmentation, operate as territorial versions of “targeted social policies” and severely undermine urban citizenship.

The semantic field constructed by the discourses of various economic and political actors about social tariffs – i.e., about funding instruments for ensuring universal accessibility to urban networks – is a privileged observatory that unveils a complex web of conflictive rationalities, interests and powers. The analysis of this contradictory map makes evident that the debates among the involved actors – private companies, civil society / social / community organizations, political movements / parties and the State itself – are not merely about economic or legal regulations of quasi-markets. Rather, they are opposite conceptions about (i) the social structure dynamics; (ii) the roles of the Market and State in formulating public policies and (iii) the production and management of the city.

It is argued that the market-driven private management of urban public services proved to be logically and conceptually incompatible with Universal accessibility and equitable distribution of urban resources. This calls for second-generation regulatory frameworks, where urban services should be viewed as instruments of active public policies.

Introduction

Privatisations of infrastructural and urban public services' networks – core components of the singular “State Reforms” undertaken in Latin America during the 90's – set up models, apparatuses and instruments of public services' private management under a maximalist market conception, which challenges the basic principles of public service – universality, regularity, equity – within a social frame which has been severely aggravated in the last decade by growing inequality and impoverishment.

Regulatory frameworks and tariff diagrams– which refer both to citizens' inclusion within a universal service network and to the funding mechanisms of its costs – are currently at the core of the critical public debate about the models applied during the privatisations.

Remarkably, these debates - where regulatory projects arising from popular social organizations as well as from legislative bodies are resisted by international corporations, governments of highly developed countries and multilateral credit agencies – deploy a singular semantic field where various players 'build' contradictory and conflictive images, visions and representations concerning the dynamics of the social structuration of space, which may also be extended to the *modes of producing and managing the city*.

These “urban conditions conflicts” derive from the fact that the *market* rationalities applied to privatisations are incompatible with the principle of *universality* of public services' networks. This incompatibility can be approached or solved by no means other than a systemic, socio-spatial approach at the global urban scale.

What are we talking about when we talk about the city?

The private management of urban public services' networks under strict market logics poses acute conflicts between the various rationalities of its main players, which derive from positioning visions and purposes which are contradictory and – in their own terms – incompatible. (Karol, 2002(a); 2004).

Usually, the urban / spatial dimension is neither part of the classic economic analysis, nor does it appear in the 'standard' market macroeconomic theory. According to the classic economists, *space* is a given, still base of the residential and economic activities. The neoclassic ones reduce the analysis of the *social actors' logic* to their rational options (*choices*) meant to optimise constraints. Space and city are only mentioned as *locational derivations* from the *economic policies analysis*, in some approaches to resources sustainable use and poverty reduction. The relationships and coordination between actors are only approached from a *contractualist* viewpoint, under the rules and determinants of the sector-markets' logic and their main instruments – essentially, prices.

Undoubtedly, the city is the base and support of the population's activities, but this 'physicalist' view on cities and their economy does not *explain* the complex web of relationships between society and space.

In H. Lefebvre's terms (1974), "the city projects on the field a society, a social totality or a society considered as a whole, understood as its culture, institutions, ethics, values; in sum, its superstructures, including its economic base and the social relationships that constitute its proper structure."

The evolution of the city turns thus to be a *historical expression of the construction of the modes of cohesion and social integration*. From this (socio-spatial) standpoint, Lefebvre re-signifies the traditional analytical distinction -and also the particular historical articulations- between the *urbs* (the territorial, physical, morphological and functional facts), the *civitas* (the social, including the economical, facts) and the *polis* (the political facts, including their normative and institutional dimensions).

The process of *socio-spatial structuration* is a direct result of the dynamics of relationships between economic, political and cultural processes, inasmuch as these are related to the regional geography of their metropolitan areas. (Meaningful) space is historically *produced* by means of complex processes and material spatial practices - accessibility, appropriation, occupation, domination, construction - which link and confront social actors with one another, according to the changing dynamics of the social configurations and the global power (un)balances (Gottdiener, 1997).

The analyses of these *modes of constituting the city* – and their application to understanding those specific urban components which hold the highest articulating capacity – require the conceptual interconnection of the various *layers of urban socio-spatial reality*, unveiling the various mechanisms and processes through which diverse social actors contribute to the physical, institutional and cultural *structuration* of urban space and, at the same time, examine these actors' *representations* of both *space* and *society*.

Infrastructures and urban services

The territorial structuration of the urban public services networks and their management models are core components in the processes of *Social Construction* (Lowenthal and Low, 1991) and *Production* (Lefebvre, 1974; Gottdiener, 1997) of the urban space.

Lefebvre propounds that the essence of the urbanization processes lies in the unceasing revolutionary expansion of the processes of flow and socialization *through the production of infrastructures that organize – at the same time – space and society*, that is, they localize, dispose, organize and sustain the society *in and on* the space.

Public services networks set up the web that supports the functioning of the activities, flows and social relationships on the space and territory – basically, the complex processes of production and social distribution and assignment of wealth – and it is in this respect that, as a part of the mechanisms of integration and redistribution of resources among the population, they turn out to be *constitutive* of the city.

The analysis of the city's dynamic configuration and production as a result of service systems and networks interacting is a recent theoretical and conceptual operation. The 'network urbanism' (Dupuy, 1991) studies the active interaction of the morphological, physical, technological and network management dimensions (*urbs*), with their references within the city's social (*civitas*)

and political (*polis*) structure. The physical and technological features of the *networks* are thus related to the territorial aspects of the *society's* structuration. Hence, the urban networks configuration may be seen as a result of a particular interaction between (a) the components of technical apparatuses on a socially and economically significant territory and (b) a particular institutional system, the purposes, form, power and efficiency of which are configured by the actors and the norms system that regulates their reciprocal actions.

A more detailed formalization of this latter setting can be read in Pérez et al. (2004). This work propounds that a Generalized Regional Urban System (SURG) is made up of subsystems meant to render a regional urban service, that interact within a web of reciprocal relationships. Accordingly, (i) the Regional-Urban Services Subsystem (SUR) contains the infrastructure (network), its internal regulation system and its steering (management); (ii) the Territorial Associated Subsystem (SAT) is the part of the territory served by the transferences of SUR; (iii) the Institutional-Political Subsystem (SPI) relates political (state and non-state), economic, regulating and social actors (real and potential users). These three subsystems that form SURG are regularized and made compatible through a particular and historically variable Management Model (MG) which relate social actors among them.

Where to examine the private management of public services from?

Whereas population enjoys a reasonably high coverage of the electric network, the water and sanitation's one is very poor. According to the census of 2001, the 28% of the households (and 31% of the population) lacked the connection to the network of running water for drinking and cooking. The network of running water expanded from 52% to 72% in the whole country under public management, between 1960 and 1991. Ten years later, under private management, the coverage had only enlarged to 72.4%. The deficiencies of the sanitary services public network's extension are much more severe: almost 55% of the households (and 60% of the population) are not covered in the whole country.

The natural gas urban system has not registered expansions in the internal market since the beginning of the deregulation, in 1989. Half of the population lacks a networking in-house service, the extension of which is restricted to households that can pay for it.

These results are not due to 'design errors'. Urban fragmentation, disintegration and inequity do not (only) rise from the possible / incidental *non-fulfilment* of the norms established in the privatisation contracts, but mainly from their very *fulfilment*. To sum up, the management model of the Argentine privatisations has not been able to warrant the accessibility and permanence of the low-income or vulnerable population within the networks – that is, the *integration* of the city and the *inclusion* of the whole society –, because the basic principles of the Public Services (universality, obligatory nature, accessibility, continuity, regularity and quality) are incompatible with the mercantile/ customer rationality of their networks' private management.

The current revision of these economic, social and territorial contradictions by the recently (May, 2003) elected Government and Parliament aims at correcting the undesirable effects of these 'imperfect markets' through new regulatory frameworks, meant to modify the central rationality of the institutional designs and arrangements that are currently in force, endeavouring to put in the foreground the fact that urban services *constitute* and *support* a network of *complex social*

relationships between actors of different roles and dispersed localizations. This new emphasis is one of the keys to the political conflicts between the actors involved.

What do the debates on tariffs allude to?

Tariffs appear to be a crucial point of what is known as ‘the public services’ crisis’ – called, by some media, ‘(government’s) *war against* the privatised companies’. So far, the technical and economic *sectoral*-debate on qualities, tariffs or business effectiveness applied to these ‘quasi-markets’ have hidden, distorted and *fetished* the relation between the networks’ operation and the urban, social public policies (Cf. Karol, 2005).

Nevertheless, tariffs are only the *symptom* of a complex conflict between opposite interests and views, *under* which it is discussed – firstly – the model for funding the *social inclusion* costs and – more deeply – the contradictory relationships between production, distribution and *private* management of the urban services’ networks and the *public policies* (which, in this case, allude to the decisions on the priorities within the modalities of production and construction of private and public spaces).

At this stage, the discussion on the origin of the *universal service funding* - the core of the conflict of interests – is a privileged observatory that dramatically reveals the contradiction between the views and logics of the confronted actors. The current debates on tariffs and the contract’s revision and/ or renegotiation are particularly focused on the regional urban services subsystem (SUR), *as if the technical operation of the networks were independent from the global system of regional-urban services, the institutional political matrix and its management model*. In fact, the territorial, technical, economic and social architectures of the public services networks denote (express and are expressed and mirrored through) the architectures and flows of decision-making, representation and public-interest-control networks.

The *networks* distribute *services* which are accessed by one part of the territorially localized potential users and in which they remain, in exchange for a fee. This fee is the price of the service provision and delivery, under a set of regulated conditions. Each tariff of the diagram expresses sets of the network’s conditions and their services: their extension, the admissible consumption, the permanence regime, their connectivity, the continuity, the quality of delivered services. A tariff regime is thus a *political* instrument that integrates the *de facto* normative system through which the extension and operation of the network *constitute* the *territories* associated to its ‘basin’.

Therefore, the tariff regulates not only the *economic* regime of the network, but also the one of the *territorial* system associated to it and – through the services it delivers and the territorial configuration resulting from that – the *social actors* who localize their activities and flows and establish their relationships within that very territorial system. Hence, the tariff system *reflects* and *expresses* a certain organization of the global or generalized system. The tariff is thus a way of regulating the supply and demand system and a key, defining element of the real conditions and functioning of the *socio-urban system* (Pérez et al, 2004).

The debate on social tariffs

1998 marked the beginning of a severe economic recession that extended up to 2003 and turned out to be determining for the fast increase in unemployment and poverty. The severe political crisis of December 2001 rushed President De La Rúa's resignation and led to his successive replacement by three temporary presidents, the first of whom declared the economic emergency, the end of the old convertibility law (a fixed exchange rate of 1:1 between the peso and the US dollar) and Argentina's default before its external creditors. Since that episode, there has been a deep revision of the analysis and operation frameworks of the private management of urban public services.

The trigger of this debate in Argentina is the poverty outburst: in these 'imperfect markets' of networking public services, the poor are an *anomaly* of difficult technical and political approach.

Regarding the consumptions of this particular 'market' segment, there have been deployed two major strategy types:

- (1) differential tariffs for consumptions out of (and, usually, below) the general conditions of the networking supply, combining forms and *cheaper vectors* of water supply with *differential qualities* of the product. ¹
- (2) differential tariffs for the access (connection) to networks and permanence in the reception, use and consumption of urban services, according to specific characteristics of some current users and services specified consumptions, under the conditions and with the uniform quality delivered by the respective network. ²

¹ This strategy was the one used for extending the water network in San Jorge neighborhood, Province of Buenos Aires, along with several other experiences all over Latin America, systematized by Baker & Tremolet (2000) and Estache et al. (2002 (a) and (b)) and recommended by the World Bank. Globalised companies and multilateral credit organizations indicate distinguished mechanisms focused on the private mercantile transactions towards the lower-income groups: (i) make networks operated by major scale services concessionaries compatible with small, neighborhood localized suppliers; (ii) *flexible contracts* and subsidies systems that enable *quality norms* and mechanisms of access to the distinctive services for the poor; (iii) flexible arrangements for *providing* the service; (iv) scheduled cuts; (v) *cheaper technologies* that reduce costs; (vi) service *hours* reduction; (vii) pre-paid consumption cards; (viii) co-existence with alternative suppliers; (ix) distinguishing qualities (for example, making only part of the delivered water flow drinkable, distinguishing the 'human consumption' – drinking, cooking, sanitation – from other consumptions – watering, washing, etc.). These recommendations are flagrantly opposite to the basic conditions of the Universal Service.

² The first precedent of differential tariffs for groups of users out of the tariff structure approved under concession was the Framework Agreement between the State, the Province of Buenos Aires and some of its municipalities, on the one hand, and Edenor and Edesur distributors, on the other, approved by the regulating organization ENRE and applied between 1994 and 1998, which gave birth to the Social-Interest-Power-Tariff (TEIS). Its purpose was to regularize the 'hooked' (illegal) users and formally incorporate low-resources-users – residents of marginal and indigent neighborhoods – to the network. Other relevant records of 'social tariffs' are: (i) fix amount discounts for the water supply to the *population under the poverty line and non-profit making institutions* in Buenos Aires City and 17 suburban municipalities, financed through *crossed subsidies*; (ii) discounts – variable according to the category – for providing power to *indigent users* in the Province of Cordoba, financed by the very Cordoba Province Power Company (EPEC); (iii) percentage discounts for providing power to residential users of *low resources* and *consumptions inferior* to a specific threshold, financed by the Atlantic Power Distribution Company (EDEA) and the State (by means of tax reduction) in Mar del Plata (Lupica et al, 2003). Under diverse forms (crossed subsidies,

The Social Tariff directly alludes to the condition of Universality of the Public services, inasmuch as it proposes a specific economic and financial mechanism of accessibility by poor (citizens).

We will focus our analysis on the nature of the debates on Social Tariffs in two phases of this period: in the first one – 1999-2002 – there is a deployment of an extremely diverse set of proposals for their design and installation; the second – still awaiting for the resolution – alludes to the nature of the modifications of regulatory frameworks and instruments, incorporated in several legislative proposals at a national level and, especially, the one already half-approved by the Parliament, as well as to the kind of responses it generates in national and international business circles.

A series of proposals on Social Tariffs

The pending proposals around the political crisis of 2001 conformed a very heterogeneous semantic field, that reveals substantial differences as for the characterization of the implied rights, definition of the beneficiaries, conditions of permanence, volume of admitted consumptions, exceeding consumption tariffication, formats, origins and conditions of the tariff reduction's funding.

The analysis of a few proposals – amongst the many ones generated in the short and intense period above commented (see Lupica et al., 2003) allows to illustrate the range of the confronted rationalities. For analytical purposes, these proposals may be disposed along a continuous axis, depending on whether they are set out:

- (i) at one extreme, by a logic of a 'social' nature (in the traditional welfare and targeted sense) aimed at the temporary and limited correction of the 'undesirable effects' of the mercantile logic valid in the private management of public services, and
- (ii) at the other, by a tendency to guarantee the implementation of the principles that adjust and sustain the notion of Public Service from a socio-spatial viewpoint and an urban citizenship logic (Karol, 2002 a).

The first law

The first legislative establishment of the Social Interest Tariff (TIS) was the Law Nr. 12.698 (June, 2001), that set its obligatory nature for electric service concessionaries and 180 electric cooperatives all over the territory of the Province of Buenos Aires. The 'path (that led to) the Social Tariff' began in 1999, with the opposition of the 'Luz y Fuerza' Union in Mar del Plata to the power's privatisation in the Province and to the concession of its operation and management to EDEA. In a context of increasing unemployment and massive disconnection of defaulter clients, the protest (at first, localized and specific) widened its sustaining base with the support of unemployed workers, neighbourhood-movements, fostering organizations, students, unions,

direct subsidies on the public company's expense, or tax and price reductions), all these reductions *are targeted* according to specific features of them.

small and medium companies, retired people and users' associations; it involved the authorities of the municipality in order to negotiate with the concessionaries '*a cheaper tariff for the underprivileged*', which turned into reconnection agreements, debts' refinancing and minimum tariffs for *basic consumption* (150 KWh/ month) *under identical conditions of quality, continuity and regularity* with the ones in force within the 'standard' network. This differential tariff combined a 40% tariff discount with a taxation reduction.³ After this Province Law there have been several projects of TIS extension to small and medium companies, production cooperatives, sport and neighbourhood clubs, NGOs and Social Welfare Programs.

Social Urbanization Programs

During the '90s, the State and Local Governments carried out a relevant part of their social policy through *targeted* programs aimed at the poor, vulnerable or at-risk population. The axis of a series of these programs – among them, the Neighbourhood Improvement Program (PROMEBA) – was building and improving the quality of physical and sanitary infrastructure of poor households in neighbourhoods almost all over the country. PROMEBA prepared a TIS proposal, arguing that '(...) the normal use of essential public services is a privileged quality indicator (of urban life). The impossibility of payment of the public services tariffs and taxes, in the situation of socio-economic emergency that the population is undergoing, alters the sense of intervention of PROMEBA, putting at risk its sustainability. (For that reason), the tariff agreements – in the absence of national regulatory frameworks for applying a Social Tariff to the public services concessions – *constitute a transversal axis that goes across all the development phases* (of the Program)⁴. The proposal defined the TIS as 'a differential price for the use of essential public services (water and drainage, electricity and gas) by the scarce-resources-population. The TIS-PROMEBA would be financed combining tariffs discounts made by the concessionaries with the governments' suppression of taxation on consumptions, *linking the total household expenditures on essential public services to the family incomes of the beneficiaries*, so that it should not exceed the 10% of them.⁵ The tariff agreements would be negotiated by the inhabitants and their neighbourhood organizations and community institutions, the State and Local Governments, the municipalities, the suppliers and the Regulation Authorities (in charge of controlling the implementation), in neighbourhood-scaled Multi-sectoral debates.

³ Eventually, this experience has extended to other towns with the support of unions, and users' and unemployed associations. The Central de Trabajadores Argentinos (Argentine Workers Central Union – www.cta.org.ar) claimed that the Law Nr. 12.698 was 'one of the first legislative recognitions of the struggles of the unemployed and the poor to recover their right to *citizenship*' and that as a 'palliative favoring the poor, the underprivileged and the unemployed (...), under the current circumstances, it sets the path of *postprivatization*'.

⁴ This important argument is one of the first rationales of the *systemic* nature of urban social programs: at the same time it takes the tariff component (notoriously *out of the Program*) to the level of an essential complement of its own *feasibility*, it also widens the field of links between the different spheres of the territory's and its inhabitants' functioning.

⁵ In this sense, the TIS-PROMEBA proposal is remarkably original. The analytical dissociation of the differential qualitative and quantitative profiles of the poor households' economic vulnerability according to their 'consumption dominance curves', leads some targeted programs of 'poverty reduction' to subsidize their consumption (food, dwelling or health services or access to public services), attending to the proportion in which the latter weighs in their households' budget.

Business views

According to private operators, social tariffs should be entirely subsidized by the State. The analysis of a specific document (see Serra, 2001) allows to outline some keys to business arguments.

The Social Tariff is featured as ‘significant discounts (that some sectors claim for) for underprivileged residential users’. It rejects ‘*the subsidies to the suppliers*’ or the ‘*overtaxes to the rest of the users*’, because ‘*they distort the costs of the service provision, configure an inequitable treatment and imply crossed subsidies (equivalent to) political tariffs*’. Such a Social Tariff would foster (in the beneficiaries) ‘the culture of the no-value (...) of services gratuity, (it would abandon) the principle of *fair and reasonable remuneration* and (would take suppliers) as dependent on the governor of the moment’.⁶ Instead of a Social tariff, Serra proposes to ‘*prohibit crossed subsidies*’, make costs transparent for each tariff level, and to create an ‘*economic aid*’ system based on ‘*censuses (...) that allow to characterize the state of poverty*’ of the individuals identified as such, who would receive a *credit* – subject to the strict and controlled complying with a set of consumption restrictions and constraints – directly applicable to services payment, bimonthly, fix and collectable through a bank network card. The system would allow to ‘establish a circuit of *crossed control* over the subsidies, employment plans, pensions, minimum retirement funds, freelance workers and black market activities’, which would permit to ‘depurate online the census of beneficiaries (of such *economic aid*) in case of a modification of their situation’. The company would maintain ‘the cut command’: not paying or exceeding in 20% the Minimum Consumption more than twice, ‘would imply the loss of *the economic aid and of the service*’. Thus, business claim a disciplinary, police-like control over poor and State at once.

After the outburst: Neighbourhood Assemblies, Political Fronts and Parties, Companies.

After the outburst of December 2001 and the instant combination of convertibility’s disposal, devaluation of peso and the external debt default declaration, the demands for the Social Tariff extended their limits and increased their virulence.

⁶ The fact that certain terms such as ‘equity’ and ‘justice’ can take on discursive meanings that are so opposite reveals the diverse *rationalities* in conflict. In the rationale of the Law Nr. 12.698 of the Province of Buenos Aires, or in the TIS-PROMEBA proposal, equity is the right to freely access the essential public services, regarded as social basic commodities, *under any circumstance*; the right of every user to really pay a tariff suitable with their economic possibility for the service received – *under equal conditions of quality, continuity and regularity*; and the right, as a citizen, to not be deprived from the service due to lacking that possibility. In Serra’s work, a differential tariff is not *equitable* because it does not reflect the same value unit per unit of service perceived. Something similar occurs with the concept of ‘justice’. Amongst businessmen, ‘just’(fair) is the tariff that allows to recover the production and distribution costs and a ‘reasonable’ business profitability. In PROMEBA’s or FeTERA’s terms, ‘just’ (fair) is the tariff that suits both the business profitability and the users’ right to equity, free access, non-discrimination and generalized use of public services, that is, the citizen right to universal service. Among users, ‘just’ (fair) is the tariff that results payable (affordable).

The Neighbourhood and Inter-neighbourhood Popular Assemblies ⁷ included the demand for Social Tariffs in the urban public services – as an extension of, and following, the model of the Law Nr. 12.698 – requiring a 40% discount in the price of the basic consumptions of all urban services and incorporating as the tariff's beneficiaries all unemployed, pensioned and retired workers as well as active workers under the poverty line. Eventually, the Inter-neighbourhood Assemblies repudiated the privatisations and demanded the State's re-appropriation of the public services companies.

In April 2002 the FRENAP (National Front against Poverty) demanded to the authorities of Buenos Aires City that they '(...) prohibit the supply cuts for not paying, prevent the tariffs of the *essential services* (water, gas, electricity, drains, family / retired persons telephone) from rising and install *differential scales* (social tariffs) favouring the sectors with *minimum consumption* or *affected by the increasing poverty* that today include the majority of the country's population'.

In May 2002, the United Left Front submitted a Social Interest Tariff Law Project to the Legal Department of Buenos Aires City, that shows (almost solely) a *universalist* (and not *targeted*) proposition on Public Service. The project proposed (i) to consider the provision of the public services of running water, electric power and gas as *human rights* of the inhabitants of Buenos Aires City, (ii) to guarantee (that is, the City Government) that the consumption level internationally considered as *basic* be *supplied to all inhabitants free of cost and subsidized by the supplying companies*, and (iii) to calculate the services' ('normal') tariffs based on the consumption exceeding the guaranteed basic one (and on that only).

It is worth pointing now that the privatised concessionary companies of public services permanently renegotiated their contracts with the State Government along the whole period of their concessions. Grounded on the fact that the minority tariffs and the payment discipline of the consumers were not enough to cover their necessities of funds flow, their demands always went around tariffs' rising, rebalancing and modification of tariff structures, taxation reduction, extension of concessions terms, waivers of fines for not complying with the investments, authorizations of anticipate charges for future investments (indeed, an agenda absolutely opposite to the one expressed in the popular proposals on the Social Tariff).

The hastened sequence of the crisis initiated in December 2001 added to these permanent demands a new set of strains of the concessionaries: the recovery of their original economic-financial scheme through tariffs' staggered and progressive adjustments until 2004, mechanisms of reimbursement for devaluation, compensatory subsidies of the defaulter clients' debts, quality standard reduction, suppression of the sanctions over contractual non-fulfilments, taxation reduction, postponements of the concessions terms, TIS financing with State Government resources, diminution of investment and of *universalisation* commitments. These demands also

⁷ The assemblies – born on confiscating the deposits of the people who were bank saving, and with the first 'cacerolazos' (the pot-banging popular protests that followed) against the siege state ordered by President De La Rúa's Government, assemblies which are nowadays deactivated – spontaneously expressed a new phenomenon of urban mobilization in Argentina, which increased its diversity and organic structure from December 19th 2001 until well beyond mid- 2002.

went along with strong political strains – such as the disposal of concession, the discharge of workers and the judicial resources interposition within the framework of bilateral agreements of mutual protection of Investments – CIADI. These business stands were strongly and permanently endorsed and supported by strains from the governments of their countries of origin, as well as by multilateral credit organizations.

After the crisis: the legislative treatment of Social Tariffs nation-wide

The commencement of a period of revision of the public services' private management gave birth to substantial modifications in the State Government's managing and negotiating optics (see Karol, 2004 and 2005). Between 2001 and 2002 there was a wide range of legislative proposals aimed at a national level (see Lupica et al., 2003: 104 ff.), five of which are still under revision at the Parliament and one of them (Project Nr. CD159/01) has already gotten half sanction. None of the five proposals is founded on a socio-spatial viewpoint, nor do they take into account specific extension policies for the urban public services networks. All refer only to *users* – that is, to the ones that are already connected to the networks – and they sustain a *targeted* vision on the *economically vulnerable* population.

The transcendence of the most advanced project of legislative treatment combines a taxation waiving with a not less than 20% tariff discount, applicable to the basic consumptions seasonally admissible and territorially differentiated from the public services of water and drains, electricity and gas. The *exceeding* consumptions will be considered as *effectuated out of the Social Interest Tariffs Regime*. In all cases, and based on the principle of *non-discrimination* in Public Services, the companies will be forced to supply the service under *identical conditions of quality, regularity and continuity*. This project proposes to register all beneficiaries of the Social Tariff and include them into the unified Record of beneficiaries of *social* aid. The authority for applying it will be the Social Development Department, and the *sector-Regulating Authorities* will be in charge of controlling it.

CONCLUSIONS

The analysis above presented shows the complexity, conflictivity and dynamic speed of the debates on social tariffs and – more generally – on the regulatory frameworks of privatisations.

The assistance-centred approaches to poverty and the degradation of the technological and economic conditions of operation of the networks, implicit in the business and multilateral organizations' proposals, *freeze* the socio - economic stratification of the territories and the polarization of (and gap between) social groups, devaluating the citizen nature of access to - and permanence within - the urban services.

The initiatives that focus on these incompatibilities, constructing *targeted* (non universal) approaches to Public Services and admitting *out of network* mechanisms, implicitly claim these networks' capability to operate – even under regulations aimed at market logics – in economically degraded environments.

As argued in two previous papers (Karol 2004 and 2005), this suggests the fundamental lack of correspondence between the (this) *mercantile logic* of private management and the *universal* nature of *Public Service*.

The legislative proposals and projects of Social Tariffs with a parliamentary status (still) express diverse urban and social conditions and representations, not entirely dissipated yet.

The still pending debates (Regulatory Frameworks for Public Services, limits and funding of Social Tariffs) will put the conflicts between private management and public policies regarding the city's management conditions at the core of the debate.

REFERENCES

Baker,B.; Trémolet, S.,2000 : **Regulating quality standards to improve access for the poor in** *Public Policy For The Private Sector*, Private Sector and Infrastructure network, Viewpoint Note # 219, The World Bank, October - www.worldbank.org/html/fpd/notes

Dupuy, G., 1991. **L'Urbanisme des Reseaux**, Théories et méthodes, París: Armand Colin.

Estache,A.;Foster, V.; Woods,Q., 2002(a) : **Making infrastructure work for the poor: policy options based on LA experience**. World Bank Institute in Development. Washington DC.

Estache,A.;Foster, V.; Woods,Q. 2002(b) : **Accounting for poverty in infrastructure reform: learning from Latin American Experience**, World Bank Institute Development Study, World Bank, Washington D.C., February.

Gottdiener, M.1997: **The social production of urban space**, University of Texas Press.

Karol, J., 2002 (a): **Tarifas sociales en servicios públicos privatizados. Una discusión sobre ciudadanía urbana y financiamiento de los costos de inclusión social en Argentina**. VII CLAD Congress on State Reform and Public Administration, Lisbon. October.

Karol, J, 2002 (b) "Cliente mata ciudadano. Reflexiones en torno a la noción de ciudadanía urbana en la regulación de servicios públicos domiciliarios". **Política y Gestión**, Vol. IV, (35:56), Homo Sapiens, Rosario.

Karol, J., 2004. **Ciudad privada y ciudad pública. La construcción del discurso en el debate sobre regulación de los servicios públicos bajo gestión privada**, VI Jornadas de Imaginarios Urbanos, CEHCAU – FADU – Universidad de Buenos Aires

Karol, J. 2005. ¿Lógica mercantil en el servicio universal? Hacia un análisis socioespacial de la gestión privada de los servicios públicos urbanos. **Estudios del Hábitat** Vol. II, N° 8 (35:48), La Plata.

Lefebvre, H., (1974) **La production de l'espace**, Paris, Anthropos

Lupica, C., Mazzola,R., Bosaz, M.A., Brambilla, S.,2003, **Pobreza y Servicios Públicos: Análisis y Propuesta de Tarifa Social**, Fundación Grupo Sophia - Área Política Social. Buenos Aires.

Navajas, F.; Urbiztondo, S. y Artana, D, 1998: Seminar **Regulation of competitive activities and public services in Argentina**. FIEL - Fundación de Investigaciones Económicas Latinoamericanas. Buenos Aires.

Pérez, P.; Rosenfeld, E; Karol, J., San Juan, G., 2004: **El sistema urbano-regional de redes de servicios e infraestructuras. Materiales para su estudio**. EDULP. La Plata.

Serra, V, 2001: **Los servicios públicos en el Control de la Ayuda Social. Tarifa social**. Congreso "El Sector Eléctrico en la Argentina que viene", Buenos Aires, september.