

POLITICS

EMCALI IN SIGHT

Behind "Operation Dragon" are privatization policies

ASSOCIATION FOR INVESTIGATION AND SOCIAL ACTION NOMADESC

These days, the high spheres of the Colombian government have had to be responsible for the existence of a parallel network of intelligence to which members, both active and retired, belong to the National Army, who with the support of the Executive and private companies designed a meticulous plan of pursuit against opposition political leaders, defenders of human rights and, particularly, against the workers of EMCALI E.I.C.E. E.S.P., the second most important provider of public services in the country.

This network has operation centers in Bogotá, Calí, Medellín, Ibagué and Barranquilla, and is directly related to liquidation processes of several public companies in the country. What initially had occurred like a warning for several people who were being observed and followed by this network, with the objective of being eliminated, was corroborated by the General Office of the Public Prosecutor of the nation.

On August 25, officials from the Technical Body of Investigations of the Office of the Public Prosecutor (CTI) made two simultaneous submissions, one in Medellín and another one in Calí, where Lieutenant Colonel Julián Villate Leal declared that the Latin American Integral Consultancy and an associated company called Serasys were exchanging information about the liquidation processes of several public companies: the Telephone Company of Barranquilla, the Electricity Company of Tolima and the Public Services Company of Cali EMCALI, amongst others.

In the hands of Lieutenant Colonel Villate is a document from the headquarters of intelligence of Brigade III of the Army in which a meticulous analysis of the Municipal Companies of Cali, EMCALI, was made since 1994. The information states very precisely the political positions, customs, activities and, mainly, the vulnerability of the members of the Board of Directors of SINTRAEMCALI, political leaders of the opposition, union, social and defending leaders of human rights, displaced daily and threatened with death.

Villate testified before the Office of the Public Prosecutor that this information had been given officially by the authorities and the directors of EMCALI, among whom is Colonel Germán Huertas, head of EMCALI security, and also showed that its activities were known and supported by the intelligence service of the National Police, SIPOL; the National Electrical Financier, FEN; the Department of the Interior and the Administrative Department of Security, DAS and General Mario Gutiérrez, commander of the Metropolitan Police of Calí.

EMCALI, one of the first victims

Like in the Cataclysm of Damocles: A sword hangs from a thread over the humanity of men and women who have gambled on EMCALI remaining public.

"Detailed inspection of the life papers' of the EMCALI workers"; "processing of studies of personnel security, tests of vulnerability and degree of reliability of the workers, Board of Directors and advisers of SINTRAEMCALI"; "creation of a network of informants inside the company for daily pursuit of union activities and characterization of the union and its directors": these are the first recommendations of "Operation Dragon".

On Easter, April 11, 2004, the head of EMCALI security, Colonel Germán Huertas, tried to secretly remove the 'life papers' of the workers to send them to Bogotá. The colonel was surprised by several workers who denounced the irregularity of the situation. In addition, the pursuits perceived by the SINTRAEMCALI activists have been permanently denounced through the department of human rights of the union.

This incidence is not unique. The recommendations in the Operation Dragon order included: "To change the union's direction more favorably", but favorable for whom? Let us remember that on July 14, 51 workers were fired by the general manager of EMCALI, Alfonso Potes Victoria. Among the fired are six members of the Board of Directors: President of SINTRAEMCALI Luis Hernández, Vice-President Luis Imbachi, the treasurer Carlos Ocampo, the accountant Oscar Figueroa, the secretary general Fabio Bejarano and the spokesperson Carlos Marmolejo.

Since May 24, 2003, when Brigade III sent the document to the intelligence headquarters in Bogotá, the technical devices were increased by way of passive security—electronic cameras and access—and the establishment of a network and an internal information system. In addition, this document includes photos of the workers and the members of the Board of Directors, even one of the House of Representative's Alexander López.

On several occasions the workers have been filmed and photographed secretly. The most recent occurrence was during the last Permanent Assembly, which obligated SINTRAEMCALI by the impropriety in the agreement signed between the government and the National and International Bank. President Uribe Vélez's handling of the situation would have been envied by the worst dictatorships of Latin America. He offered a coup d'etat to the governor of Valle, Angelino Garzón, and to Municipal Mayor Apolinar Salcedo, chosen by popular vote, when they tried to give him a negotiated exit. General Castro traveled from Bogotá to Calí and declared: "Mr. Mayor, Mr. Governor: I do not take order from you; I only take orders from the president". The intermediation of the organizations of control and defense of human rights, of international organizations and of the mayor and the governor managed to prevent the Public Force from entering the EMCALI Tower where the workers were.

Why the interest in EMCALI?

EMCALI, the second most important public services provider in the country, is counted as one of the greatest infrastructures in Latin America. During the 70 years of its existence, it constructed: assets greater than five trillion pesos; 3,000 hectares of hydrographic river basins in the rivers of Cauca, Calí, Meléndez, Pichinde, Pance, Cañaveralejo and Lili; four potable water production plants; 2,600 km of aqueduct and 2,400 km of sewage systems; two residual water processing plants; 30 central telephone offices; 527 km of optical fiber; and 18 energy substations.

SINTRAEMCALI: Defending public heritage

Calí has made more than a few efforts so that water, energy and communications remain in the hands of the state. The fight initiated when the workers, by means of their union, SINTRAEMCALI, discovered the permanent practices of corruption implemented by the mayors of the municipality and the managers of the company. From 1995 to the 2001 they had illicitly appropriated more than a trillion pesos: that is, 333 billion dollars. But, what frightened the workers even more, and also the SINTRAEMCALI directors, was the insistence of the different governments to sell international capital to EMCALI. From there, investigation, denunciations, and judicial processes began against the people responsible.

By means of these investigations the interests of several multinationals, such as Fenosa Union, Aguas de Barcelona (Spanish), Lyonnaies des exau (French), General de exaus (French), Interger, Siemens, Erikson Houston Energiesi (U.S.), Bell South Degremond, Safege, Nihon Suido, Tokio Engineering, Ute, and Odebrech were also discovered. Multinationals that, at the present time, comprise the creditors of the company which is attacking EMCALI the most, due to the high interest on the debts.

Initially, the workers of the different plants organized teams by sectors and themes, accompanied by external advisers. An anti-corruption committee studied the viability of the proposals regarding aqueducts, sewage systems, energy and communications. Weekly and biweekly meetings, organized by areas, consolidated their efforts. The investigations verified that, indeed, the company was not only viable but profitable, and that the announced bankruptcies had been false.

The workers affiliated with SINTRAEMCALI have made use of constitutional and legal resources, by means of the interposition of demands, internal requests before authorities and legal procedures. But impartial hearings or verdicts never existed, all were manipulated, the only result being impunity for those who have squandered the company over several decades.

Later, the EMCALI workers utilized different mechanisms of resistance in the face of the appointment of liquidator managers, the militarization of the work plants and the liquidation resolutions. The pacifying occupations of the plants and the facilities of the state, among them the EMCALI Tower, and the obstruction of highways were the only way to reverse decisions taken by the executive and to restrain the liquidation for privatization.

Uribe and the privatization of EMCALI

President Uribe has made several attempts to eliminate and privatize EMCALI with the slogan: "*Todos Ponen*". First he used it during his presidential campaign when Vice-President Santos declared: "The central government does not have a peso to save EMCALI and the company any other way. It is necessary to look at our options and one of them is privatization" (Newspaper *El País* April 12, 2003).

The second use occurred August 9, 2002 in Calí, two days after Uribe took office, when, in the Tower of the CAM, he said: "The only way to save EMCALI EICE was to constitute a Society for Actions". In this meeting, the president of SINTRAEMCALI, Luis Hernández, who was not invited, but was present, told the president that the solution was not viable since the workers and the Caleño people would not allow the privatization of the company. The president declared: "You know that the situation of the nation is very difficult, *ayúdenos* the citizens of Calí with an increase in tariffs so that it 'capitalizes' itself". To which Hernández responded: "The

capitalization opens the doors to a privatization process. The community, Mr. President, I reiterate!, was hoping for much more from your visit", as opposed to a true contribution from the nation towards assuming the costs of the Treatment Plant for Residual Waters.

Soon thereafter the government named a new administration in the company directed by Carlos Alfonso Potes, who had been investigated for acts of corruption when he was manager of the Municipal Companies of Tulúa, Emtulua, and *who had retired just six months before the liquidation, later to appear as general manager of the newly privatized company, Centroaguas.*

On January 23, 2003, the Superintendent of Public Services, Eva María Uribe, issued *Resolution 00014, ordering the taking possession, with liquidation aims, of the Municipal Companies of Calí, EMCALI E.I.C.E.* This resolution was publicized on January 27th, through the mass media.

On February 14, 2003, Consuelo Ospina, Accountant of EMCALI by order of the superintendent, presented an altered accounting balance, with the intention of justifying a *TECHNICAL BANKRUPTCY*. Initially, she maintained before SINTRAEMCALI that she was forced to present the report, but later was intimidated by the government to revise it.

On February 21, 2003, it was known that the EMCALI management carried out a fiduciary order with the National Electrical Financier (FEN) on February 13, 2003, *implying that the liquidation process already had begun.* In addition, a technical committee was established to define the steps in the liquidation process and definitive privatization of the company, giving *the contract with FEN a character of confidentiality, which is prohibited by law.*

On March 10, 2003, the SINTRAEMCALI president had a strong verbal confrontation with President Uribe during the hearing on EMCALI. Hernández said to the president: "I do not see the contribution of the nation, which was the essence of the proposal of August 9th, where you indicated that with the capitalization of the credits, including those of the nation, it would be necessary to pay them back with dividends later" (newspaper *El Tiempo*, March 12, 2003). Uribe responded to the president of SINTRAEMCALI like a 'shyster', before which, Hernández, with a strong tone, had demanded respect.

On March 24 and May 25, 2003, they continued the meetings, but this time President Uribe demanded that the negotiations with SINTRAEMCALI be developed at the Marco Fidel Suárez Air Base.

On May 4, 2004, SINTRAEMCALI deposited their Collective Convention, yielding rights and fulfilling the agreement months back with the government. Nevertheless, the government did not fulfill its part and negotiated a detrimental agreement for the company with the National and International Bank, leaving Calí essentially 'pawned' for the next 20 years.

EMCALI vs. the International Bank

EMCALI's debt to the National and International Bank appeared to businesses to be like the construction of the Treatment Plant for Residual Waters and Thermoelectric, enriching the traditional politicians who were promoted into senior positions within the company and the municipal administration. Additionally, the company was handled like a small 'cashbox of the city', where the resources for the political campaigns of the traditional parties are kept.

The Financial, Operative, and Labor Adjustment Agreement for the Reconstruction of the EMCALI Credits, signed by the government with the National and International Bank, gives administrative, financial, patrimonial and legal autonomy of EMCALI to the multinationals. Furthermore, it favors the National and International Bank by giving it the direction and profits of the company in the medium- and the long-term. This violates the constitutional and legal powers of the municipal mayorship and harms the rights of the community. This illegal agreement attempts to privatize the company in the future.

Intolerance to despotism

Before the government's breach of contract with EMCALI workers, between May 26 and 29 of this year, the workers had a Permanent Assembly. This generated a brutal reaction by the executive in the face of the municipal and departmental government and a demonstration of the force materialized in the following ways:

- An order to surround the workers with the Public Force. Indeed, this happened because some workers received blows and were detained.
- An order of isolation. Humanitarian assistance was prohibited. Food, water, and medicine were prohibited from being taken into the EMCALI tower, the rendezvous point for the workers. Additionally, entrance to the negotiating commission was prevented and the workers from the Defense of the People, the Municipal *Personero*, the Regional Solicitor and the organizations that defend human rights were not allowed in.
- An order of securing. The Special Anti-terrorist Commando arrived with a large arsenal, which included machine guns. This 'commando of assault' surrounded more than 700 meters of the administrative seat of the CAM.
- An order of assault. The workers were threatened with being shot if they did not end the Permanent Assembly.

As a result of this action, which pressured and threatened to end the Permanent Assembly in a violent way, and was later declared illegal, 51 workers were dismissed. Curiously, this was the objective of Operation Dragon.

The work of the community

Respect for civil, political, economic, social and cultural rights, an integral conception of the defense of human rights, led by the EMCALI workers, is treated like a crime by the government.

Nevertheless, to unmask the corruption, one of the first steps was to present to the community the real interests of the politicians, to avoid manipulation and to restrain the historical support of the poorest sectors of the city.

As far as the communitarian work in the Valley of the Cauca goes, due to the social and economic conflict aggravated by the internal armed conflict, phenomena like the forced displacement of community farmers, the indigenous and blacks – those who do not have the minimum possibility of education, health care and, in many cases, not even potable water. This fact was taken to SINTRAEMCALI for "communitarian collaborations", where, shoulder to shoulder, public service adjustment activities, legal assistance, schools, updates on the

company conflict, recreation for children and medical and dental attention are being developed, subsidized by the SINTRAEMCALI workers.

Additionally, the movement against privatization compelled a municipal movement of public rescue, where the problems of the homeless come together with communitarian mothers, unionists, students, the displaced, artists, and the traveling and push-cart vendors. This movement emerged in the street and in an action of civil disobedience; it 'burned' receipts of public services, and it shouted at the national government that it was not going to pay the politico thieves that are against the company.

A very high cost

During this process of defending EMCALI, 16 workers and active members of SINTRAEMCALI have been assassinated, a hundred were detained arbitrarily, five are in exile, 10 victims of attacks, two of which, in addition, have undergone an attack with an explosive device, (after the last Permanent Assembly and were seriously hurt). They were detained for four months, processed for terrorism, regaining their freedom on September 24.

SINTRAEMCALI has maintained that basic services must be as its name indicates: essential and subsidized by the state for the poorest sectors of the city and, necessarily, public. To privatize the water and the light is like privatizing the air. The multinationals have turned these fundamental services into merchandise, as well as education and health care. This union, who is in the sights of "Operation Dragon", will continue working with the community and the democratic men and women who have given up their lives. SINTRAEMCALI is a leader in the world today, the declaration of the charter of the right to public services, where multinationals are prohibited from buying the basic resources of nations, especially if they are low.

But "Operation Dragon" blossoms today as one of the most terrible threats against the 2,800 workers affiliated with SINTRAEMCALI.